

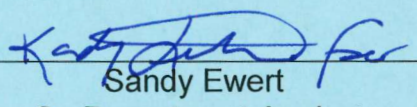
AGREEMENT CONTRACT ROUTING SHEET

Date Prepared: 6/17/19

Need Date: ASAP

PROCESSING DEPARTMENT:

CONTRACTOR:

Department: CAO - P&C
Dept. Contact: Matthew Potter
Phone: X5417
Department
Head Signature: 
Sandy Ewert
Sr. Department Analyst

Name: CliftonLarsonAllen LLP
Address: 925 Highland Pointe Dr., Suite 450
Roseville, CA 95678
Phone: 916-677-5760
Org Code: 0200000
Project String
(if applicable): _____
Funding Source: _____

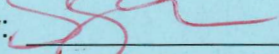
CONTRACTING DEPARTMENT: Chief Administrative Office

Service Requested: Review and Approve

Description: Services for the Examination of Annual Financial Statements

Contract Term: 3 Years Contract Value: \$209,750.00

COUNTY COUNSEL: (Must approve all contracts and MOU's)

Approved: X Disapproved: _____ Date: 6/20/19 By: 

Approved: _____ Disapproved: _____ Date: _____ By: _____

EL DORADO COUNTY COUNSEL
2019 JUN 18 AM 7:41

HR APPROVAL: WILL BE REVIEWED THROUGH WORKFLOW

RISK MANAGEMENT: WILL BE REVIEWED THROUGH WORKFLOW

PLEASE EMAIL FOR PICK-UP cda-csu@edcgov.us Thank you!

ORIGINAL

CliftonLarsonAllen LLP

Services for the Examination of Annual Financial Statements

AGREEMENT FOR SERVICES #4103

THIS AGREEMENT, made and entered into by and between the County of El Dorado, a political subdivision of the State of California (hereinafter referred to as "County"), and CliftonLarsonAllen LLP, a Minnesota limited liability partnership duly qualified to conduct business in the State of California, whose principal place of business is 220 South Sixth Street, Suite 300, Minneapolis, Minnesota 55402 and whose local office is located at 925 Highland Pointe Drive, Suite 450, Roseville, California 95678 (hereinafter referred to as "Contractor");

RECITALS

WHEREAS, County has determined that it is necessary to obtain a contractor to assist its Chief Administrative Office in providing services for the examination of annual financial statements for County;

WHEREAS, Contractor has represented to County that it is specially trained, experienced, expert, and competent to perform the special services required hereunder, and County has determined to rely upon such representations;

WHEREAS, it is the intent of the parties hereto that such services be in conformity with all applicable federal, state and local laws;

WHEREAS, County has determined that the provision of such services provided by Contractor are in the public's best interest, and that these services are more economically and feasibly performed by outside independent Contractors as well as authorized by El Dorado County Charter, Section 210(b)(6) and/or Government Code Section 31000;

WHEREAS, on May 14, 2019, Contractor was formally awarded Request for Proposal (RFP) 19-961-058 for the provision of independent professional financial audit services;

NOW, THEREFORE, County and Contractor mutually agree as follows:

ARTICLE I

Scope of Services: Contractor agrees to furnish personnel, equipment, and services necessary to provide for the examination of annual financial statements for the fiscal years ending June 30, 2019, 2020, and 2021. Services shall include, but not be limited to, those tasks as identified in Exhibit A, marked "Scope of Work," incorporated herein and made by reference a part hereof.

If a submittal or deliverable is required to be an electronic file, Contractor shall produce the file using Microsoft (MS) Office 2010 applications (specifically, MS Word and MS Excel). Signed reports shall be submitted in Adobe portable document format (PDF). All deliverables shall be submitted in language, format, and design that are compatible with and completely transferable to County computer applications and that are acceptable to County's Contract Administrator. Newer versions of software may be used and other types of software used for analytical purposes may be authorized if approved in writing in advance of the submittal by County's Contract Administrator. Contractor shall submit all deliverables to County's Contract Administrator as described. Failure to submit the required deliverables in the formats required shall be grounds for termination of the Agreement, as provided in ARTICLE XIV, Default, Termination, and Cancellation, herein.

Unless otherwise indicated, receipt of this executed Agreement is Contractor's Notice to Proceed with the work specified herein.

ARTICLE II

Term: This Agreement shall become effective upon final execution by both parties hereto and shall expire three (3) years thereafter. This Agreement may be renewed for one (1) additional period of two (2) years upon written approval of the parties.

ARTICLE III

Compensation for Services: For services provided herein, including any deliverables that may be identified herein, County agrees to pay Contractor upon the satisfactory completion and County's acceptance of work, in arrears. Payment shall be made within forty-five (45) days following County's receipt and approval of itemized invoices identifying the services rendered.

For the purposes hereof, the billing rates shall be in accordance with Exhibit B, marked "Cost Proposal and Rate Schedule," incorporated herein and made by reference a part hereof.

The total amount of this Agreement shall not exceed \$209,750.00, inclusive of all costs and expenses.

Itemized invoices shall follow the format specified by County and shall reference this Agreement number on their faces. Copies of documentation attached to invoices shall reflect Contractor's charges for the specific services billed on those invoices. Invoices shall be mailed to County at the following address:

County of El Dorado
Chief Administrative Office
330 Fair Lane
Placerville, California 95667
Attn.: Jennifer Franich

or to such other location as County directs.

In the event that Contractor fails to deliver, in the format specified, the deliverables and progress reports required by this Agreement, County at its sole option may delay the payment for the period of time of the delay, cease all payments until such time as the required deliverables or progress reports are received, or proceed as set forth below in ARTICLE XIV, Default, Termination, and Cancellation, herein.

ARTICLE IV

Progress Reports: Contractor shall submit written progress reports to County's Contract Administrator at intervals that are commensurate with the requirements of the items of work and tasks being performed and based upon a mutually agreeable schedule. The reports shall be sufficiently detailed for County's Contract Administrator to determine if Contractor is performing to expectations and is on schedule, to provide communication of interim findings, and to afford occasions for airing difficulties or special circumstances encountered so that remedies can be developed. County's review of these reports will ensure that Contractor's work meets a level of acceptability as determined by County's Contract Administrator, and Contractor shall be required to modify its work as necessary to meet that level of acceptability as defined by County's Contract Administrator.

ARTICLE V

Standards of Work: Services rendered under this Agreement shall be performed in accordance with the applicable standards, which include the following:

- A. Generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants;
- B. Standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States;
- C. The provisions of the Single Audit Act Amendments of 1996;
- D. OMB Circular A-133, Audits of States, Local Governments and Not-for-Profit Organizations.

ARTICLE VI

Taxes: Contractor certifies that as of today's date, it is not in default on any unsecured property taxes or other taxes or fees owed by Contractor to County. Contractor agrees that it shall not default on any obligations to County during the term of this Agreement.

ARTICLE VII

Changes to Agreement: This Agreement may be amended by mutual consent of the parties hereto. Said amendments shall become effective only when in writing and fully executed by duly authorized officers of the parties hereto.

ARTICLE VIII

Contractor to County: It is understood that the services provided under this Agreement shall be prepared in and with cooperation from County and its staff. It is further agreed that in all matters pertaining to this Agreement, Contractor shall act as

Contractor only to County and shall not act as Contractor to any other individual or entity affected by this Agreement nor provide information in any manner to any party outside of this Agreement that would conflict with Contractor's responsibilities to County during the term hereof.

ARTICLE IX

Confidentiality: Contractor shall maintain the confidentiality and privileged nature of all records, including billing records, together with any knowledge therein acquired, in accordance with all applicable state and federal laws and regulations, as they may now exist or may hereafter be amended or changed. Contractor, and all Contractor's staff, employees, and representatives, shall not use or disclose, directly or indirectly at any time, any said confidential information, other than to County's Chief Administrative Office and Auditor-Controller's Office for the purpose of, and in the performance of, this Agreement. This confidentiality provision shall survive after the expiration or earlier termination of this Agreement.

ARTICLE X

Assignment and Delegation: Contractor is engaged by County for its unique qualifications and skills as well as those of its personnel. Contractor shall not subcontract, delegate, or assign services to be provided, in whole or in part, to any other person or entity without prior written consent of County.

ARTICLE XI

Independent Contractor/Liability: Contractor is, and shall be at all times, deemed independent and shall be wholly responsible for the manner in which it performs services required by the terms of this Agreement. Contractor exclusively assumes responsibility for acts of its employees, associates, and subcontractors, if any are authorized herein, as they relate to services to be provided under this Agreement during the course and scope of their employment.

Contractor shall be responsible for performing the work under this Agreement in a safe, professional, skillful, and workmanlike manner and shall be liable for its own negligence and negligent acts of its employees. County shall have no right of control over the manner in which work is to be done and shall, therefore, not be charged with responsibility of preventing risk to Contractor or its employees.

ARTICLE XII

Fiscal Considerations: The parties to this Agreement recognize and acknowledge that County is a political subdivision of the State of California. As such, County is subject to the provisions of Article XVI, Section 18 of the California Constitution and other similar fiscal and procurement laws and regulations and may not expend funds for products, equipment, or services not budgeted in a given fiscal year. It is further understood that in the normal course of County business, County will adopt a proposed budget prior to a given fiscal year, but that the final adoption of a budget does not occur until after the beginning of the fiscal year.

Notwithstanding any other provision of this Agreement to the contrary, County shall give notice of cancellation of this Agreement in the event of adoption of a proposed budget that does not provide for funds for the services, products, or equipment subject herein. Such notice shall become effective upon the adoption of a final budget, which does not provide funding for this Agreement. Upon the effective date of such notice, this Agreement shall be automatically terminated and County released from any further liability hereunder.

In addition to the above, should the Board of Supervisors during the course of a given year for financial reasons reduce or order a reduction in the budget for any County department for which services were contracted to be performed, pursuant to this paragraph in the sole discretion of County, this Agreement may be deemed to be canceled in its entirety subject to payment for services performed prior to cancellation.

ARTICLE XIII

Audit by California State Auditor: Contractor acknowledges that if total compensation under this Agreement is greater than \$10,000.00, this Agreement is subject to examination and audit by the California State Auditor for a period of three (3) years, or for any longer period required by law, after final payment under this Agreement, pursuant to California Government Code § 8546.7. In order to facilitate these potential examinations and audits, Contractor shall maintain, for a period of at least three (3) years, or for any longer period required by law, after final payment under the Agreement, all books, records, and documentation necessary to demonstrate performance under the Agreement.

ARTICLE XIV

Default, Termination, and Cancellation:

- A. Default: Upon the occurrence of any default of the provisions of this Agreement, a party shall give written notice of said default to the party in default (notice). If the party in default does not cure the default within ten (10) days of the date of notice (Time to Cure), then such party shall be in default. The Time to Cure may be extended at the discretion of the party giving notice. Any extension of Time to Cure must be in writing, prepared by the party in default for signature by the party giving notice, and must specify the reason(s) for the extension and the date in which the extension of Time to Cure expires.

Notice given under this section shall specify the alleged default and the applicable Agreement provision and shall demand that the party in default perform the provisions of this Agreement within the applicable period of time. No such notice shall be deemed a termination of this Agreement unless the party giving notice so elects in this notice, or the party giving notice so elects in a subsequent written notice after the Time to Cure has expired. In the event of termination, County reserves the right to take over and complete the work by contract or by any other means.

- B. Bankruptcy: This Agreement, at the option of County, may be terminated in the case of bankruptcy, voluntary or involuntary, or insolvency of Contractor.
- C. Ceasing Performance: County may terminate this Agreement immediately in the event Contractor ceases to operate as a business or otherwise becomes unable to substantially perform any term or condition of this Agreement.
- D. Termination or Cancellation without Cause: County may terminate this Agreement in whole or in part upon seven (7) calendar days' written notice by County without cause. If such prior termination is effected, County will pay for satisfactory services rendered prior to the effective dates, as set forth in the Notice of Termination provided to Contractor, and for such other services which County may agree to in writing as necessary for contract resolution. In no event, however, shall County be obligated to pay more than the total amount of the Agreement. Upon receipt of a Notice of Termination, Contractor shall promptly discontinue all services affected, as of the effective date of termination set forth in such Notice of Termination, unless the Notice directs otherwise.

ARTICLE XV

Notice to Parties: All notices to be given by the parties hereto shall be in writing and served by depositing same in the United States Post Office, postage prepaid and return receipt requested. Notices to County shall be in duplicate and addressed as follows:

To County:

County of El Dorado
 Chief Administrative Office
 330 Fair Lane
 Placerville, California 95667

Attn.: Shawne Corley
 Assistant Chief Administrative
 Officer

With a copy to:

County of El Dorado
 Chief Administrative Office
 2850 Fairlane Court
 Placerville, California 95667

Attn.: Michele Weimer
 Procurement and Contracts Manager

or to such other location as County directs.

Notices to Contractor shall be addressed as follows:

CliftonLarsonAllen LLP
 925 Highland Pointe Drive, Suite 450
 Roseville, California 95678

Attn.: Richard Gonzalez, CPA, Principal

or to such other location as Contractor directs.

ARTICLE XVI

Change of Address: In the event of a change in address for Contractor's principal place of business, Contractor's Agent for Service of Process, or Notices to Contractor, Contractor shall notify County in writing as provided in ARTICLE XV, Notice to Parties. Said notice shall become part of this Agreement upon acknowledgment in writing by County's Contract Administrator, and no further amendment of the Agreement shall be necessary provided that such change of address does not conflict with any other provisions of this Agreement.

ARTICLE XVII

Indemnity: Contractor shall defend, indemnify, and hold County and its officers, agents, employees, and representatives harmless against and from any and all claims, suits, losses, damages, and liability for damages of every name, kind, and description, including attorneys' fees and costs incurred, brought for, or on account of, injuries to, or death of, any person, including but not limited to workers, County employees, and the public, or damage to property, or any economic or consequential losses, which are claimed to, or in any way arise out of, or are connected with Contractor's services, operations, or performance hereunder, regardless of the existence or degree of fault or negligence on the part of County, Contractor, subcontractor(s), and employee(s) of any of these, except for the sole or active negligence of County, its officers, agents, employees, and representatives, or as expressly prescribed by statute. This duty of Contractor to indemnify and save County harmless includes the duties to defend set forth in California Civil Code Section 2778.

ARTICLE XVIII

Ownership of Data: Upon completion or earlier termination of all services under this Agreement, ownership and title to all reports, documents, plans, maps, specifications, estimates, compilations, photographs, videos, and any and all other materials or data produced or obtained as part of this Agreement will automatically be vested in County without restriction or limitation on their use, and no further agreement will be necessary to transfer ownership to County. Copies may be made for Contractor's records, but shall not be furnished to others without prior written authorization from County's Contract Administrator. Such deliverables shall be deemed works made for hire and all rights in copyright therein shall be retained by County. Contractor shall furnish County all necessary copies of data, including data stored in electronic format, needed to complete the review and approval process of the services and deliverables provided under this Agreement.

ARTICLE XIX

Insurance: Contractor shall provide proof of a policy of insurance satisfactory to County's Risk Management Division and documentation evidencing that Contractor maintains insurance that meets the following requirements:

- A. Full Workers' Compensation and Employers' Liability Insurance covering all employees of Contractor as required by law in the State of California.

- B. Commercial General Liability Insurance of not less than \$1,000,000 combined single limit per occurrence for bodily injury and property damage and a \$2,000,000 aggregate limit.
- C. Automobile Liability Insurance of not less than \$1,000,000 is required in the event motor vehicles are used by Contractor in performance of the Agreement.
- D. In the event Contractor is a licensed professional or professional contractor and is performing professional services under this Agreement, Professional Liability Insurance is required with a limit of liability of not less than \$1,000,000.
- E. Contractor shall furnish a certificate of insurance satisfactory to County's Risk Management Division as evidence that the insurance required above is being maintained.
- F. The insurance will be issued by an insurance company acceptable to County's Risk Management Division or be provided through partial or total self-insurance likewise acceptable to the Risk Management Division.
- G. Contractor agrees that the insurance required herein shall be in effect at all times during the term of this Agreement. In the event said insurance coverage expires at any time or times during the term of this Agreement, Contractor agrees to provide at least thirty (30) days prior to said expiration date, a new certificate of insurance evidencing insurance coverage as provided for herein for not less than the remainder of term of the Agreement, or for a period of not less than one (1) year. New certificates of insurance are subject to the approval of Risk Management and Contractor agrees that no work or services shall be performed prior to the giving of such approval. In the event Contractor fails to keep in effect at all times insurance coverage as herein provided, County may, in addition to any other remedies it may have, terminate this Agreement upon the occurrence of such event.
- H. The certificate of insurance must include the following provisions stating that:
 - 1. The insurer will not cancel the insured's coverage without prior written notice to County; and
 - 2. The County of El Dorado, its officers, officials, employees, and volunteers are included as additional insured, on an additional insured endorsement, but only insofar as the operations under this Agreement are concerned. This provision shall apply to the general liability policy.
- I. Contractor's insurance coverage shall be primary insurance in respect to County, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by County, its officers, officials, employees, or volunteers shall be in excess of Contractor's insurance and shall not contribute with it.

- J. Any deductibles or self-insured retentions must be declared to and approved by County. At the option of County, either: The insurer shall reduce or eliminate such deductibles or self-insured retentions in respect to County, its officers, officials, employees, and volunteers; or Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration, and defense expenses.
- K. Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to County, its officers, officials, employees, or volunteers.
- L. The insurance companies shall have no recourse against the County of El Dorado, its officers, and employees or any of them for payment of any premiums or assessments under any policy issued by any insurance company.
- M. Contractor's obligations shall not be limited by the foregoing insurance requirements and shall survive the expiration of this Agreement.
- N. In the event Contractor cannot provide an occurrence policy, Contractor shall provide insurance covering claims made as a result of performance of this Agreement for not less than three (3) years following completion of performance of this Agreement.
- O. The certificate of insurance shall meet such additional standards as may be determined by the contracting County department, either independently or in consultation with County's Risk Management Division as essential for protection of County.

ARTICLE XX

Interest of Public Official: No official or employee of County who exercises any functions or responsibilities in review or approval of services to be provided by Contractor under this Agreement shall participate in or attempt to influence any decision relating to this Agreement which affects personal interest or interest of any corporation, partnership, or association in which he/she is directly or indirectly interested; nor shall any such official or employee of County have any interest, direct or indirect, in this Agreement or the proceeds thereof.

ARTICLE XXI

Interest of Contractor: Contractor covenants that Contractor presently has no personal interest or financial interest, and shall not acquire same in any manner or degree, in either: 1) any other contract connected with or directly affected by the services to be performed by this Agreement; or, 2) any other entities connected with or directly affected by the services to be performed by this Agreement. Contractor further covenants that in the performance of this Agreement no person having any such interest shall be employed by Contractor.

ARTICLE XXII

Conflict of Interest: The parties to this Agreement have read and are aware of the provisions of Government Code Section 1090 et seq. and Section 87100 relating to conflict of interest of public officers and employees. Contractor attests that it has no current business or financial relationship with any County employee(s) that would constitute a conflict of interest with provision of services under this Agreement and will not enter into any such business or financial relationship with any such employee(s) during the term of this Agreement. County represents that it is unaware of any financial or economic interest of any public officer or employee of Contractor relating to this Agreement. It is further understood and agreed that if such a financial interest does exist at the inception of this Agreement either party may immediately terminate this Agreement by giving written notice as detailed in ARTICLE XIV, Default, Termination, and Cancellation, herein.

ARTICLE XXIII

Nondiscrimination:

- A. County may require Contractor's services on projects involving funding from various state and/or federal agencies, and as a consequence, Contractor shall comply with all applicable nondiscrimination statutes and regulations during the performance of this Agreement including but not limited to the following: Contractor and its employees and representatives shall not unlawfully discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical handicap, mental disability, medical condition, genetic information, military or veteran status, marital status, age, gender, gender identity, gender expression, sexual orientation, or sex; Contractor shall, unless exempt, comply with the applicable provisions of the Fair Employment and Housing Act (Government Code, Sections 12900 et seq.) and applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Sections 7285.0 et seq.); the applicable regulations of the Fair Employment and Housing Commission implementing Government Code, Section 12990, set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations incorporated into this Agreement by reference and made a part hereof as if set forth in full; and Title VI of the Civil Rights Act of 1964, as amended. Contractor and its employees and representatives shall give written notice of their obligations under this clause as required by law.
- B. Where applicable, Contractor shall include these nondiscrimination and compliance provisions in any of its agreements that affect or are related to the services performed herein.
- C. Contractor's signature executing this Agreement shall provide any certifications necessary under the federal laws, the laws of the State of California, including but not limited to Government Code Sections 12990 and 8355 and Title 2, California Code of Regulations, Section 8103.

ARTICLE XXIV

California Residency (Form 590): If Contractor is a California resident, Contractor must file a State of California Form 590, certifying its California residency or, in the case of a limited liability company or corporation, certifying that it has a permanent place of business in California. Contractor will be required to submit a Form 590 prior to execution of this Agreement, or County shall withhold seven (7) percent of each payment made to Contractor during the term of this Agreement. This requirement applies to any agreement/contract exceeding \$1,500.

ARTICLE XXV

County Payee Data Record Form: All independent contractors or corporations providing services to County who do not have a Department of the Treasury Internal Revenue Service Form W-9 (Form W-9) on file with County must file a County Payee Data Record Form with County.

ARTICLE XXVI

Business License: County's Business License Ordinance provides that it is unlawful for any person to furnish supplies or services, or transact any kind of business in the unincorporated territory of El Dorado County without possessing a County business license unless exempt under County Ordinance Code Section 5.08.070. Contractor warrants and represents that it shall comply with all of the requirements of County's Business License Ordinance, where applicable, prior to beginning work under this Agreement and at all times during the term of this Agreement.

ARTICLE XXVII

Licenses: Contractor hereby represents and warrants that Contractor and any of its subcontractors employed under this Agreement has all the applicable licenses, permits, and certifications that are legally required for Contractor and its subcontractors to practice its profession or provide the services or work contemplated under this Agreement in the State of California. Contractor and its subcontractors shall obtain or maintain said applicable licenses, permits, or certificates in good standing throughout the term of this Agreement.

ARTICLE XXVIII

California Forum and Law: Any dispute resolution action arising out of this Agreement, including, but not limited to, litigation, mediation, or arbitration, shall be brought in El Dorado County, California, and shall be resolved in accordance with the laws of the State of California.

ARTICLE XXIX

Contract Administrator: The County Officer or employee with responsibility for administering this Agreement is Jennifer Franich, Principal Management Analyst, Chief Administrative Office, or successor.

ARTICLE XXX

Authorized Signatures: The parties to this Agreement represent that the undersigned individuals executing this Agreement on their respective behalf are fully authorized to do so by law or other appropriate instrument and to bind upon said parties the obligations set forth herein.

ARTICLE XXXI

Partial Invalidity: If any provision, sentence, or phrase of the Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions, sentences, and phrases will continue in full force and effect without being impaired or invalidated in any way.

ARTICLE XXXII

No Third Party Beneficiaries: Nothing in this Agreement is intended, nor will be deemed, to confer rights or remedies upon any person or legal entity not a party to this Agreement.

ARTICLE XXXIII

Counterparts: This Agreement may be executed in one or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

ARTICLE XXXIV

Entire Agreement: This document and the documents referred to herein or exhibits hereto are the entire Agreement between the parties, and they incorporate or supersede all prior written or oral agreements or understandings.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates indicated below.

-- COUNTY OF EL DORADO --

By: Michelle Wanner

Dated: 6/26/19

Purchasing Agent
"County"

-- CLIFTONLARSONALLEN LLP --

By: Richard Gonzalez

Dated: 6/25/19

Richard Gonzalez, CPA
Principal
"Contractor"

CliftonLarsonAllen LLP

Exhibit A

Scope of Work

Contractor shall immediately begin preliminary audit work for the audit of the fiscal year ending June 30, 2019. Thereafter, the audit schedule for subsequent years will be determined by Contractor and the Auditor-Controller's Office. Services shall include, but not be limited to:

Annual Financial Statement Audit

Contractor shall conduct an audit of County's basic financial statements in accordance with the Generally Accepted Accounting Principles (GAAP) in the United States of America for the fiscal years ending June 30, 2019, 2020, and 2021. The funds included in the audit of County's basic financial statements consist of the following:

- General Fund
- Special Revenue Funds
- Debt Service Fund
- Capital Project Funds
- Proprietary Funds (internal service and enterprise funds)
- Trust and Agency Funds

Contractor shall provide annual entrance conferences, progress reporting, and exit conferences. Scheduled meetings will be determined by County as needed after the awarding of the contract. Entrance Conferences shall be scheduled with County Auditor-Controller, County Chief Administrative Officer, as well as all key finance department personnel and department heads. The purpose of entrance conferences shall be to discuss prior audit problems and the interim work to be performed. These meetings shall also be used to establish overall liaison(s) for the audit(s) and to make arrangements for workspace and other needs of Contractor.

Contractor shall provide written regular status updates jointly to the Auditor-Controller and Chief Administrative Officer during the audit fieldwork period, summarizing the progress of the audit. Any significant concerns and/or delays in obtaining information that require management attention or recommendations for immediate corrective action by departments shall be communicated by Contractor in the bi-weekly status reports.

Phase 1: Planning and Strategy

Contractor shall:

- Gain an understanding of the operation of County, including any changes in its organization, management style, and internal and external factors influencing the operating environment.
- Identify significant account and accounting applications, critical audit areas, significant provisions of laws and regulations and relevant controls over operations.
- Determine the likelihood of effective Information Systems (IS) – related controls.
- Perform a preliminary overall risk assessment.
- Establish a timetable for the fieldwork phase of the audit
- Determine protocol for using Interactive Data Extraction and Analysis (IDEA) to facilitate timely receipt and analysis of reports from management.
- Compile an initial comprehensive list of items to be prepared by County, establish mutually agreed upon deadlines.

Phase 2: Systems Evaluation

Contractor shall:

- Gain an understanding of the internal control structure of County for financial accounting and relevant operations.
- Identify control objectives for each type of control that is material to the financial statements.
- Gain an understanding of the relevant control policies and procedures that effectively achieve the control objectives.
- Determine the nature, timing, and extent of control testing and perform tests of controls.
- Test the following key internal controls:
 - Electronic data, including general and application controls reviews and various user controls.
 - Financial reporting and compliance with laws and regulations.

Phase 3: Testing and Analysis

Contractor shall:

- Perform substantive testing based on the results of internal control tests
- After identifying individually significant or unusual items, decide on the audit approach for the remaining balance of items by considering tolerable error and audit risk. This may include:

- Testing a sample of the remaining balance;
- Lowering the previously determined threshold for individually significant items to increase the percent coverage of the account balance; or
- Applying analytical procedures to the remaining balance.

Phase 4: Reporting and Follow-up

Reports to management will include oral and/or written reports, including the following deliverables:

1. Independent Auditor's Report on County's basic financial statements, including an "in-relation-to" opinion on the combining and individual fund financial statements and schedules that are presented as part of the County's basic financial statements.
2. Independent Auditor's Report on Compliance for Each Major Federal Program, Report on Internal Control over Compliance, and Report on the Schedule of Expenditures of Federal Awards Required by the *Uniform Guidance*.
3. Contractor's written opinion on the fair presentation of County's basic financial statements, including the combining and individual fund financial statements, in accordance with accounting standards generally accepted in the United States of America (GAAP) for the fiscal years ending June 30, 2019, 2020, and 2021, at the discretion of the County.
4. A Management Letter, prepared in accordance with SAS No. 114, which shall include any findings and recommendations regarding internal controls, including significant deficiencies and/or material weaknesses. A significant deficiency is a control deficiency, or combination of deficiencies, that adversely affects County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of County's financial statements that is more than inconsequential will not be prevented or detected. A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected. Management letters shall be addressed to County Chief Administrative Officer.
5. A Written Communication to Those Charged with Governance which shall include contractor's responsibility under generally accepted auditing standards in the United States of America, changes in significant accounting policies or their application, unusual transactions, management judgments and accounting estimates, significant audit adjustments, other information in documents containing audited financial statements, disagreements with County, County's consultations with other accountants, major issues discussed with management

prior to retention, difficulties encountered in performing the audit, and fraud or illegal acts.

Single Audit

Contractor shall conduct a Single Audit on County's federal award programs in the accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133 the fiscal years ending June 30, 2019, 2020 and 2021, including an audit of the California Department of Community Services and Development programs. Contractor shall complete the online Data Collection Form (Form) and transmit the completed Form electronically to the Federal Audit Clearinghouse. The Contractor will also coordinate with County for County's electronic submission and certification to the Federal Audit Clearinghouse. Contractor shall also submit County's financial report, the management report, and the single audit report to the State Controller's Office for the purpose of completing the required submission to that agency. Contractor shall also perform agreed-upon procedures associated with the Financial Data Schedule (FDS) for Public Housing Authorities as required by the U.S. Department of Housing and Urban Development and prepare the Real Estate Assessment Center's Report (REAC).

Phase 1: Risk Assessment and Planning

- Determine programs are properly identified and risk-related for determination of the major programs for testing.
- Review the forms and programs utilized in the prior year to determine the extent of any changes which are required.

Phase 2: Major Program Testing

- Determine the programs to be audited based on the risk assessment performed in the planning phase.

Phase 3: Final Assessment and Reporting

- Perform the steps noted in the preliminary assessment and planning stage once the final Schedule of Expenditures of Federal Awards is received to determine if additional major programs were identified.

Reports to management shall include oral and/or written reports, including the following deliverables:

1. Independent Auditor's Report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements in accordance with *Government Auditing Standards*.

2. Independent auditor's report on compliance with requirements applicable to each major program, internal control over compliance and the schedule of expenditures of federal awards in accordance with OMB Circular A-133.
3. Supplemental schedules for the following State grant programs: Office of Emergency Services and Board of State and Community Corrections.
4. A program specific grant audit report for the California Department of Community Services and Development.
5. U.S. Department of Housing and Urban Development REAC Report.

Annual Appropriations Limit

Contractor shall perform a review of the County's Annual Appropriations Limit calculation as prescribed by Article XIII-B of the California Constitution (Proposition 111). The agreed-upon procedures to be performed shall include the determination that the annual appropriations limit was calculated in accordance with guidelines provided by the California County Accounting Standards and Procedures Committee and Article XIII-B, and that the annual appropriations limit was adopted by resolution of the County Board of Supervisors.

Reports to management will include oral and/or written reports, including the following deliverables:

1. Independent accountant's report on applying agreed-upon procedures related to the County's calculation of its annual appropriations limit (and County's dependent special districts) in accordance with Article XIII-B of the California Constitution.

Standard Independent Treasurer's Assertion

Contractor shall perform an independent audit to determine County Treasury's compliance with investment requirements in conformity with Article 1 (commencing with Section 27000.5) and Article 6 (commencing with Section 27130), of Chapter 5, Division 2, Title 3 of the California Government Code and with the El Dorado County Statement of Investment Policy as approved by the Board of Supervisors.

Reports to management shall include oral and/or written reports, including the following deliverables:

1. A standard Independent Treasurer's assertion that the investment requirements of California Government Code Article 1 (commencing with Section 27000.5),

Article 6, (commencing with Section 27130), and the El Dorado County Investment Policy have been complied with, for the funds on deposit in the El Dorado County Treasury for the year ending June 30, 2019.

Deliverable Requirements and Due Dates

All deliverables shall be printed on 8 ½” x 11” standard paper, or folded to match that size, and shall be securely bound in a professional manner.

An unbound copy of each deliverable as well as an electronic copy in portable document format (PDF) shall be provided in addition to the number of bound reports shown for each deliverable.

Subsequent years’ timetables shall be developed pursuant to this general timetable.

Deliverable	Number of Bound Reports/Copies	Due Date
<p><u>Annual Financial Audit</u></p> <ul style="list-style-type: none"> • Independent Auditor’s Report on basic financial statements • Independent Auditor’s Report on Each Major Federal Program, Report on Internal Control Over Compliance, and Report on the Schedule of Expenditures of Federal Awards Required by the <i>Uniform Guidance</i> • Written Opinion • Management Letter • Written Communication to Those Charged with Governance 	10	March 1, 2020
<p><u>Single Audit</u></p> <ul style="list-style-type: none"> • Independent Auditor’s Report on Internal Control over financial reporting and on compliance and other matters based on an audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> • Independent Auditor’s Report on Each Major Federal Program, Report on Internal Control Over Compliance, and 	10	March 1, 2020

<p>Report on the Schedule of Expenditures of Federal Awards Required by the <i>Uniform Guidance</i></p> <ul style="list-style-type: none"> • Supplemental schedules for Office of Emergency Services and Board of State and Community Corrections. • Audit report for California Department of Community Services and Development • HUD REAC Report 		
<p><u>Annual Appropriations Limit</u></p> <ul style="list-style-type: none"> • Independent Accountant's Report on agreed-upon procedures on Appropriation Limit 	10	November 30, 2019
<p><u>Standard Independent Treasurer's Assertion</u></p> <ul style="list-style-type: none"> • A standard Independent Treasurer's assertion that the investment requirements of California Government Code Article 1 (commencing with Section 27000.5), Article 6, (commencing with Section 27130), and the El Dorado County Investment Policy have been complied with, for the funds on deposit in the El Dorado County Treasury for the year ending June 30, 2019. 	10	March 15, 2020

CliftonLarsonAllen LLP

Exhibit B

Cost Proposal and Rate Schedule

Item	Fiscal Year Ending June 30, 2019	Fiscal Year Ending June 30, 2020	Fiscal Year Ending June 30, 2021
Annual Financial Statement Audit/Management Letter	\$41,000	\$41,800	\$42,600
Annual Single Audit	\$19,750	\$20,100	\$20,500
Agreed Upon Procedures on Appropriations Limit	\$750	\$750	\$750
California Department of Community Services and Development	\$3,800	\$3,800	\$3,800
Independent Treasurer's Assertion	\$2,450	\$2,450	\$2,450
HUD REAC Report (FDS)	\$1,000	\$1,000	\$1,000
Total	\$68,750	\$69,900	\$71,100

*Mileage and direct costs are included in the amounts above

Classification	Standard Hourly Rate
Principal	\$350/hr.
Manager	\$295/hr.
Associates	\$110/hr.
Administrative	\$100/hr.

DECLARATION

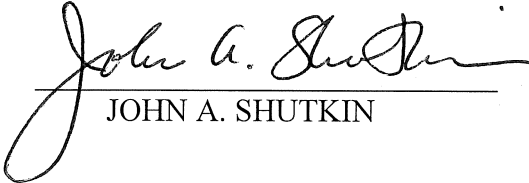
State of Massachusetts)
County of Middlesex)

I, JOHN A. SHUTKIN, declare as follows:

That I am the General Counsel of CliftonLarsonAllen LLP (“CLA”). In my role as General Counsel, I have overall responsibility for legal compliance for CLA.

That CLA is a duly formed limited liability partnership under the laws of the State of Minnesota and has been since January 2, 2012. According to the Minnesota Professional Firm Act, any partner or principal of a partnership is permitted to sign on behalf of and legally bind the partnership. As such, any partner or principal of CLA is authorized to sign on behalf of and legally bind CLA.

That Rich Gonzalez is a Principal of CLA. By virtue of Mr. Gonzalez being a Principal of CLA, he has signing authority on behalf of and can legally bind CLA by signing contractual documents on its behalf, including, without limitation, the subject contract.



JOHN A. SHUTKIN

June 13, 2019