

AGREEMENT FOR SERVICES #044-S0511
AMENDMENT V

This Amendment V to that Agreement for Services #044-S0511, 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 Bartig, Basler and Ray, LLP, A Gallina Company, LLP, duly qualified to conduct business in the State of California, whose principal place of business is 1520 Eureka Road, Suite 100, Roseville, CA 95661, (hereinafter referred to as "Consultant");

WITNESSETH

WHEREAS, Consultant has been engaged by County to provide an external audit of the financial statements for the County of El Dorado in accordance with Agreement for Services #044-S0511, incorporated herein and made by reference a part hereof; and

WHEREAS, the parties hereto have mutually agreed to expand the scope, extend the term of said Agreement for one (1) additional year, and increase the compensation by \$80,970, hereby amending **ARTICLE I – Scope of Services**, **ARTICLE II – Term**, and **ARTICLE III – Compensation for Services**; and

NOW THEREFORE, the parties do hereby agree that Agreement for Services #044-S0511 shall be amended a fifth time as follows:

ARTICLE I

Scope: Consultant agrees to provide auditing services necessary for the provision of an external audit of the financial statements of the County for the fiscal year July 1, 2003 through June 30, 2004, as described in Exhibits "A-1" and "A-2". Consultant agrees to provide auditing services necessary for the provision of an external audit of the financial statements of the County to be completed by December 31, 2005, for fiscal year July 1, 2004 through June 30, 2005, as described in Amendment I, Exhibit "B". Consultant agrees to provide auditing services necessary for the provision of an external audit of the financial statements of the County to be completed by December 31, 2006, for the fiscal year July 1, 2005 through June 30, 2006, as described in Amendment II, Exhibit "C". Consultant agrees to provide auditing services necessary for the provision of an external audit of the financial statements of the County to be completed by December 31, 2007, for the fiscal year July 1, 2006 through June 30, 2007, as described in Amendment III, Exhibit "D". Consultant agrees to provide auditing services necessary for the provision of an external audit of the financial statements of the County to be completed by December 31, 2008, for the fiscal year July 1, 2007 through June

30, 2008, as described in Amendment IV, Exhibit "E". Consultant agrees to provide auditing services necessary for the provision of an external audit of the financial statements of the County to be completed by December 31, 2009, for the fiscal year July 1, 2008 through June 30, 2009, as described in Amendment V, Exhibit "F", incorporated herein and made by reference a part thereof.

ARTICLE II

Term: This Agreement, as amended, shall become effective June 1, 2004 through May 31, 2010.

ARTICLE III

Compensation for Services: For services provided herein, County agrees to pay Consultant lump sum upon completion of services. Payment shall be made within thirty (30) days following County receipt and approval of itemized invoice(s) detailing services rendered and shall be in accordance with Exhibits "A-1" and "A-2". For the purpose hereof the billing rate for service provided shall be in accordance with Exhibit "B" to the original agreement, marked compensation for services provided for July 1, 2003 through June 30, 2004. For the period July 1, 2004 through June 30, 2005 the payment for services rendered shall be based upon invoices for the percentage of work completed, not to exceed the total fee of \$68,280. For the period July 1, 2005 through June 30, 2006 the payment for services rendered shall be based upon invoices for the percentage of work completed, not to exceed the total fee of \$76,700. For the period July 1, 2006 through June 30, 2007 the payment for services rendered shall be based upon invoices for the percentage of work completed, not to exceed the total fee of \$80,970. For the period July 1, 2007 through June 30, 2008 the payment for services rendered shall be based upon invoices for the percentage of work completed, not to exceed the total fee of \$80,970. For the period July 1, 2008 through June 30, 2009 the payment for services rendered shall be based upon invoices for the percentage of work completed, not to exceed the total fee of \$80,970.

The total amount of this Agreement, as amended, shall be \$65,030 for services provided pursuant to 2003/2004 financial statements, \$68,280 for services provided pursuant to 2004/2005 financial statements, \$76,700 for services provided pursuant to 2005/2006 financial statements, \$80,970 for services provided pursuant to 2006/2007 financial statements, \$80,970 for services provided pursuant to 2007/2008 financial statements, and \$80,970 for services provided pursuant to 2008/2009 financial statements for a total not to exceed the amount of \$452,920.

Except as herein amended, all other parts and sections of that Agreement #044-S0511 shall remain unchanged and in full force and effect.

Requesting Contract Administrator/Department Head Concurrence:

By: _____ Dated: _____
Joe Harn
Auditor-Controller

IN WITNESS WHEREOF, the parties hereto have executed this Fifth Amendment to that Agreement for Services #044-S0511 on the dates indicated below, the latest of which shall be deemed to be the effective date of this Amendment.

-- COUNTY OF EL DORADO --

Dated: _____

By: _____

**Chairman
Board of Supervisors
"County"**

**ATTEST:
Suzanne Allen de Sanchez
Clerk of the Board of Supervisors**

By: _____ **Date:** _____
Deputy Clerk

-- CONSULTANT --

Dated: _____

BARTIG, BASLER & RAY, LLP

By: _____

**Brad Constantine, CPA
"Consultant"**

AGREEMENT FOR SERVICES #044-S0511
AMENDMENT IV

This Amendment IV to that Agreement for Services #044-S0511, 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 Bartig, Basler and Ray, LLP, A Gallina Company, LLP, duly qualified to conduct business in the State of California, whose principal place of business is 1520 Eureka Road, Suite 100, Roseville, CA 95661, (hereinafter referred to as "Consultant");

WITNESSETH

WHEREAS, Consultant has been engaged by County to provide an external audit of the financial statements for the County of El Dorado in accordance with Agreement for Services #044-S0511, incorporated herein and made by reference a part hereof; and

WHEREAS, the parties hereto have mutually agreed to expand the scope, extend the term of said Agreement for one (1) additional year, and increase the compensation by \$80,970, hereby amending **ARTICLE I – Scope of Services, ARTICLE II – Term, and ARTICLE III – Compensation for Services**; and

NOW THEREFORE, the parties do hereby agree that Agreement for Services #044-S0511 shall be amended a fourth time as follows:

ARTICLE I

Scope: Consultant agrees to provide auditing services necessary for the provision of an external audit of the financial statements of the County for the fiscal year July 1, 2003 through June 30, 2004, as described in Exhibits "A-1" and "A-2". Consultant agrees to provide auditing services necessary for the provision of an external audit of the financial statements of the County to be completed by December 31, 2005, for fiscal year July 1, 2004 through June 30, 2005, as described in Amendment I, Exhibit "B". Consultant agrees to provide auditing services necessary for the provision of an external audit of the financial statements of the County to be completed by December 31, 2006, for the fiscal year July 1, 2005 through June 30, 2006, as described in Amendment II, Exhibit "C". Consultant agrees to provide auditing services necessary for the provision of an external audit of the financial statements of the County to be completed by December 31, 2007, for the fiscal year July 1, 2006 through June 30, 2007, as described in Amendment III, Exhibit "D". Consultant agrees to provide auditing services necessary for the provision of an external audit of the financial statements of the County to be completed by December 31, 2008, for the fiscal year July 1, 2007 through June 30, 2008, as described in

Amendment IV, Exhibit "E", incorporated herein and made by reference a part thereof.

ARTICLE II

Term: This Agreement, as amended, shall become effective June 1, 2004 through May 31, 2009.

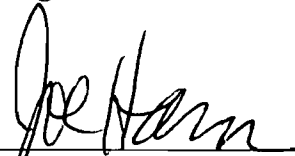
ARTICLE III

Compensation for Services: For services provided herein, County agrees to pay Consultant lump sum upon completion of services. Payment shall be made within thirty (30) days following County receipt and approval of itemized invoice(s) detailing services rendered and shall be in accordance with Exhibits "A-1" and "A-2". For the purpose hereof the billing rate for service provided shall be in accordance with Exhibit "B" to the original agreement, marked compensation for services provided for July 1, 2003 through June 30, 2004. For the period July 1, 2004 through June 30, 2005 the payment for services rendered shall be based upon invoices for the percentage of work completed, not to exceed the total fee of \$68, 280. For the period July 1, 2005 through June 30, 2006 the payment for services rendered shall be based upon invoices for the percentage of work completed, not to exceed the total fee of \$76,700. For the period July 1, 2006 through June 30, 2007 the payment for services rendered shall be based upon invoices for the percentage of work completed, not to exceed the total fee of \$80,970. For the period July 1, 2007 through June 30, 2008 the payment for services rendered shall be based upon invoices for the percentage of work completed, not to exceed the total fee of \$80,970.

The total amount of this Agreement, as amended, shall be \$65,030 for services provided pursuant to 2003/2004 financial statements, \$68,280 for services provided pursuant to 2004/2005 financial statements, \$76,700 for services provided pursuant to 2005/2006 financial statements, and \$80,970 for services provided pursuant to 2006/2007 financial statements, and \$80,970 for services provide pursuant to 2007/2008 for a total not to exceed the amount of \$371,950.

Except as herein amended, all other parts and sections of that Agreement #044-S0511 shall remain unchanged and in full force and effect.

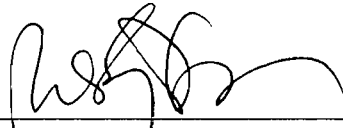
Requesting Contract Administrator/Department Head Concurrence:

By:  Dated: 4-28-08
Joe Harn
Auditor-Controller

IN WITNESS WHEREOF, the parties hereto have executed this Fourth Amendment to that Agreement for Services #044-S0511 on the dates indicated below, the latest of which shall be deemed to be the effective date of this Amendment.

--- COUNTY OF EL DORADO ---

Dated: 4/22/08

By: 
RUSTY DUPRAY Chairman
Board of Supervisors
"County"

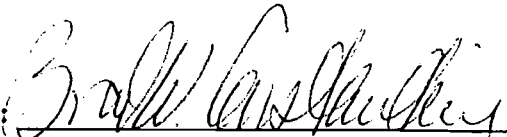
ATTEST:
Cindy Keck
Clerk of the Board of Supervisors

By:  Date: 4/22/08
Deputy Clerk

-- CONSULTANT --

Dated: 4/3/08

BARTIG, BASLER & RAY, LLP

By: 
Brad Constantine, CPA
"Consultant"



BARTIG, BASLER & RAY, LLP
A GALLINA LLP COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Agreement #044-S0511
Amendment IV
Exhibit E - Scope of Service

AUDITOR-CONTROLLER
02 FEB - 5 11:12:05

February 4, 2008

Mr. Joe Harn
County of El Dorado
360 Fair Lane
Placerville, CA 95667

Dear Mr. Harn:

We are pleased to confirm our understanding of the services we are to provide the County of El Dorado for the year ending June 30, 2008. We ask that you either confirm or amend that understanding:

We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of the County of El Dorado as of and for the year ending June 30, 2008. 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 the County of El Dorado's basic financial statements. As part of our engagement, we will apply certain limited procedures to the County of El Dorado'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. Budgetary comparison schedules.
3. Schedule of funding progress.

Supplementary information other than the RSI, such as combining and individual fund statements, also accompanies the County of El Dorado's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and will provide an opinion on it in relation to the basic financial statements:

1. Schedule of expenditures of federal awards.
2. Combining and individual fund statements.

Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic 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 basic financial statements taken as a whole. The objective also includes reporting on –

- Internal control related to the financial statements and compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provision of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

The reports on internal control and compliance will each include a statement that the report is intended for the information and use of the audit committee, management, specific legislative or regulatory bodies, federal awarding agencies, and if applicable, pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Our audit will be conducted in accordance with U.S. generally accepted auditing standards; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of OMB Circular A-133, and will include tests of the accounting records, a determination of major programs in accordance with Circular A-133, and other procedures we consider necessary to enable us to express such opinions and to render the required reports. If our opinions on the financial statements or the Single Audit compliance opinions are other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

Our audit will also include the following:

- (1) audits of the Office of Emergency Services (OES) and California Department of Corrections and Rehabilitation (CDCR) grants in accordance with the grantee handbooks (the County is not required to report the expenditures of the OES and CDCR grants as supplementary information within the County's single audit report since we are issuing a separate audit report summarizing the grant expenditures for both of these programs)
- (2) an audit of the Spousal Abuser Prosecution Program administered by the County's District Attorney's Office
- (3) a compliance audit of the County's investment practices in accordance with Government Code Section 27134
- (4) discrete presentation of State funded expenditures, in addition to federal expenditures, in the SEFA as required by the terms and conditions of pass-through grant contracts with State agencies
- (5) report on procedures performed pursuant to Article XIII-B of the California Constitution
- (6) performance of agreed-upon procedures relating to electronic filing of the report for U.S. Department of Housing and Urban Development (HUD)
- (7) audits of State Community Services and Development (CSD) grants in accordance with the "Auditing Standards" provisions detailed in the grant agreements and CSD Supplemental Audit guide

Management Responsibilities

Management is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; for the fair presentation in the financial statements of the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of El Dorado and the respective changes in financial position and, where applicable, cash flows in conformity with U.S. generally accepted accounting principles; and for federal award program compliance with applicable laws and regulations and the provisions of contracts and grant agreements. Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein.

You are responsible for management decisions and functions. As part of the audit, we will prepare a draft of your financial statements, schedule of expenditures of federal awards, and related notes. In accordance with *Government Auditing Standards*, you will be required to review and approve those financial statements prior to their issuance and have a responsibility to be in a position in fact and appearance to make an informed judgment on those financial statements. Further, you are required to designate a qualified management-level individual to be responsible and accountable for overseeing our services.

Management is responsible for making all financial records and related information available to us, including identifying significant vendor relationships in which the vendor has the responsibility for program compliance and for the accuracy and completeness of that information. Management's 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.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants. Additionally, as required by OMB Circular A-133, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan.

Management is responsible for establishment and maintenance of a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous audits or other engagements or studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits or other engagements or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, and the timing and format related thereto.

Management is responsible for the preparation of the Management's Discussion and Analysis section of the financial report. This section is not a required part of the basic financial statements, but is additional information required by accounting principles generally accepted in the United States of America.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because an audit is designed to provide reasonable, but not absolute assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Controls

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by OMB Circular A-133, we will perform tests of controls over noncompliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed on internal control issued pursuant to OMB Circular A-133.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under professional standards, *Government Auditing Standards*, and OMB Circular A-133.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the County of El Dorado's compliance with applicable laws and regulations and the provisions of contract and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

OMB Circular A-133 requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of test of transactions and other applicable procedures described in the *OMB Circular A-133 Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the County of El Dorado's major programs. The purpose of those procedures will be to express an opinion on the County of El Dorado's compliance with requirements applicable to each of the major programs in our report on compliance issued pursuant to OMB Circular A-133.

Audit Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will provide 10 bound copies, 1 unbound copy and 1 electronic copy in portable document format (PDF) of all reports. We will also provide additional bound copies of the County financial report, the management report and the single audit report for the purpose of completing the County's required submission to the California State Controller's Office. We estimate that this will total approximately 22 copies of each report.

We will complete the appropriate sections of and sign the Data Collection Form that summarizes our audit findings. We will provide 3 copies of our reports to the County of El Dorado; however, it is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and a corrective action plan) along with the Data Collection Form to the designated federal clearinghouse and, if appropriate, to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits. At the conclusion of the engagement, we will provide information to management as to where the reporting packages should be submitted and the number to submit.

The audit documentation for this engagement is the property of Gallina LLP and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to the State Controller's Office or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Gallina LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release or for any additional period requested by the State Controller's Office. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

The parties agree that any controversy or claim arising out of or relating to the services provided pursuant to this engagement letter agreement shall be determined by arbitration in accordance with the applicable Arbitration Rules for Professional Accounting and Related Services Disputes of the American Arbitration Association; and judgment on the award rendered by the arbitrator(s) may be rendered in any court of competent jurisdiction.

February 4, 2008

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We expect to begin our audit within two weeks after the receipt of all requested schedules and the draft financial statements from the County. We anticipate that a draft report with footnotes will be issued within two weeks after the end of field work. Our fee for these services will be as follows:

<i>Task</i>	<i>Cost</i>
Audit of County's financial statements	\$ 42,180
Schedule of federal award expenditures and major program testing in accordance with single audit act	21,834
Audits of the Office of Emergency Services (OES) and California Department of Corrections and Rehabilitation (CDCR) grants in accordance with the grantee handbooks	3,810
Spousal Abuser Prosecution Program audit	3,300
Treasury Oversight Committee Compliance Review in accordance with GC Section 27134	2,756
Audits of State Community Services and Development (CSD) grants	5,000
Gann Limit Calculation Review	765
Electronic Filing of HUD Report	1,325
Total	\$ 80,970

Our invoices for these fees will be rendered each month as work progresses and are payable upon presentation. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2006 peer review report was sent to you previously.

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

Very truly yours,
Gallina LLP

Brad W. Crankline

RESPONSE:

This letter correctly sets forth the understanding of the County of El Dorado.

By: _____
Title: _____
Date: _____



COPY ORIGINAL

AGREEMENT FOR SERVICES #044-S0511
AMENDMENT III

This Amendment III to that Agreement for Services #044-S0511, 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 Bartig, Basler and Ray, LLP, A Gallina Company, LLP, duly qualified to conduct business in the State of California, whose principal place of business is 1520 Eureka Road, Suite 100, Roseville, CA 95661, (hereinafter referred to as "Consultant");

WITNESSETH

WHEREAS, Consultant has been engaged by County to provide an external audit of the financial statements for the County of El Dorado in accordance with Agreement for Services #044-S0511, incorporated herein and made by reference a part hereof; and

WHEREAS, the parties hereto have mutually agreed to expand the scope, extend the term of said Agreement for one (1) additional year, and increase the compensation by \$80,970, hereby amending **ARTICLE I – Scope of Services**, **ARTICLE II – Term**, and **ARTICLE III – Compensation for Services**; and

WHEREAS, the parties hereto have mutually agreed to add **ARTICLE XXIII – County Business License**.

NOW THEREFORE, the parties do hereby agree that Agreement for Services #044-S0511 shall be amended a first time as follows:

ARTICLE I

Scope: Consultant agrees to provide auditing services necessary for the provision of an external audit of the financial statements of the County for the fiscal year July 1, 2003 through June 30, 2004, as described in Exhibits "A-1" and "A-2". Consultant agrees to provide auditing services necessary for the provision of an external audit of the financial statements of the County to be completed by December 31, 2005, for fiscal year July 1, 2004 through June 30, 2005, as described in Amendment I, Exhibit "B". Consultant agrees to provide auditing services necessary for the provision of an external audit of the financial statements of the County to be completed by December 31, 2006, for the fiscal year July 1, 2005 through June 30, 2006, as described in Amendment II, Exhibit "C". Consultant agrees to provide auditing

services necessary for the provision of an external audit of the financial statements of the County to be completed by December 31, 2007, for the fiscal year July 1, 2006 through June 30, 2007, as described in Amendment III, Exhibit "D", incorporated herein and made by reference a part thereof.

ARTICLE II

Term: This Agreement, as amended, shall become effective June 1, 2004 through May 31, 2008.

ARTICLE III

Compensation for Services: For services provided herein, County agrees to pay Consultant lump sum upon completion of services. Payment shall be made within thirty (30) days following County receipt and approval of itemized invoice(s) detailing services rendered and shall be in accordance with Exhibits "A-1" and "A-2". For the purpose hereof the billing rate for service provided shall be in accordance with Exhibit "B" to the original agreement, marked compensation for services provided for July 1, 2003 through June 30, 2004. For the period July 1, 2004 through June 30, 2005 the payment for services rendered shall be based upon invoices for the percentage of work completed, not to exceed the total fee of \$68,280. For the period July 1, 2005 through June 30, 2006 the payment for services rendered shall be based upon invoices for the percentage of work completed, not to exceed the total fee of \$76,700. For the period July 1, 2006 through June 30, 2007 the payment for services rendered shall be based upon invoices for the percentage of work completed, not to exceed the total fee of \$80,970.

The total amount of this Agreement, as amended, shall be \$65,030 for services provided pursuant to 2003/2004 financial statements, \$68,280 for services provided pursuant to 2004/2005 financial statements, \$76,700 for services provided pursuant to 2005/2006 financial statements, and \$80,970 for services provided pursuant to 2006/2007 financial statements, for a total not to exceed the amount of \$290,980.

ARTICLE XXIII

County Business License: 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 Code Section 5.08.070.

Except as herein amended, all other parts and sections of that Agreement #044-S0511 shall remain unchanged and in full force and effect.

Requesting Contract Administrator/Department Head Concurrence:

By: Joe Ham Dated: 5-30-07
Joe Ham
Auditor-Controller

IN WITNESS WHEREOF, the parties hereto have executed this Third Amendment to that Agreement for Services #044-S0511 on the dates indicated below, the latest of which shall be deemed to be the effective date of this Amendment.

--- COUNTY OF EL DORADO ---

Dated: 5/22/07

By: [Signature]
Chairman
Board of Supervisors
"County"

ATTEST:
Cindy Keck
Clerk of the Board of Supervisors

By: [Signature] Date: 5/22/07
Deputy Clerk

-- CONSULTANT --

Dated: [Signature]

BARTIG, BASLER & RAY, LLP

By: [Signature]
Brad Constantine, CPA
"Consultant"



BARTIG, BASLER & RAY, LLP
A GALLINA LLP COMPANY

April 26, 2007

Mr. Joe Harn
County of El Dorado
360 Fair Lane
Placerville, CA 95667

Dear Mr. Harn:

We are pleased to confirm our understanding of the services we are to provide the County of El Dorado for the year ending June 30, 2007. We ask that you either confirm or amend that understanding:

We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of the County of El Dorado as of and for the year ending June 30, 2007. 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 the County of El Dorado's basic financial statements. As part of our engagement, we will apply certain limited procedures to the County of El Dorado'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. Budgetary comparison schedules.
3. Schedule of funding progress.

Supplementary information other than the RSI, such as combining and individual fund statements, also accompanies the County of El Dorado's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and will provide an opinion on it in relation to the basic financial statements:

1. Schedule of expenditures of federal awards.
2. Combining and individual fund statements.

Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic 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 basic financial statements taken as a whole. The objective also includes reporting on -

- Internal control related to the financial statements and compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

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- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provision of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

The reports on internal control and compliance will each include a statement that the report is intended for the information and use of the audit committee, management, specific legislative or regulatory bodies, federal awarding agencies, and if applicable, pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Our audit will be conducted in accordance with U.S. generally accepted auditing standards; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of OMB Circular A-133, and will include tests of the accounting records, a determination of major programs in accordance with Circular A-133, and other procedures we consider necessary to enable us to express such opinions and to render the required reports. If our opinions on the financial statements or the Single Audit compliance opinions are other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

Our audit will also include the following:

- (1) audits of the Office of Emergency Services (OES) and California Department of Corrections and Rehabilitation (CDCR) grants in accordance with the grantee handbooks
- (2) an audit of the Spousal Abuser Prosecution Program administered by the County's District Attorney's Office
- (3) a compliance audit of the County's investment practices in accordance with Government Code Section 27134
- (4) discrete presentation of State funded expenditures, in addition to federal expenditures, in the SEFA as required by the terms and conditions of pass-through grant contracts with State agencies
- (5) report on procedures performed pursuant to Article XIIIIB of the California Constitution
- (6) performance of agreed-upon procedures relating to electronic filing of the report for U.S. Department of Housing and Urban Development (HUD)
- (7) audits of State Community Services and Development (CSD) grants in accordance with the "Auditing Standards" provisions detailed in the grant agreements and CSD Supplemental Audit guide.

Management Responsibilities

Management is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; for the fair presentation in the financial statements of the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of El Dorado and the respective changes in financial position and, where applicable, cash flows in conformity with U.S. generally accepted accounting principles; and for federal award program compliance with applicable laws and regulations and the provisions of contracts and grant agreements. Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein.

You are responsible for management decisions and functions. As part of the audit, we will prepare a draft of your financial statements, schedule of expenditures of federal awards, and related notes. In accordance with *Government Auditing Standards*, you will be required to review and approve those financial statements prior to their issuance and have a responsibility to be in a position in fact and appearance to make an informed judgment on those financial statements. Further, you are required to designate a qualified management-level individual to be responsible and accountable for overseeing our services.

Management is responsible for making all financial records and related information available to us, including identifying significant vendor relationships in which the vendor has the responsibility for program compliance and for the accuracy and completeness of that information. Management's 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.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants. Additionally, as required by OMB Circular A-133, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan.

Management is responsible for establishment and maintenance of a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous audits or other engagements or studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits or other engagements or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, and the timing and format related thereto.

Management is responsible for the preparation of the Management's Discussion and Analysis section of the financial report. This section is not a required part of the basic financial statements, but is additional information required by accounting principles generally accepted in the United States of America.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because an audit is designed to provide reasonable, but not absolute assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Controls

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by OMB Circular A-133, we will perform tests of controls over noncompliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed on internal control issued pursuant to OMB Circular A-133.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under professional standards, *Government Auditing Standards*, and OMB Circular A-133.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the County of El Dorado's compliance with applicable laws and regulations and the provisions of contract and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

OMB Circular A-133 requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of test of transactions and other applicable procedures described in the *OMB Circular A-133 Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the County of El Dorado's major programs. The purpose of those procedures will be to express an opinion on the County of El Dorado's compliance with requirements applicable to each of the major programs in our report on compliance issued pursuant to OMB Circular A-133.

Audit Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will provide 10 bound copies, 1 unbound copy and 1 electronic copy in portable document format (PDF) of all reports. We will also provide additional bound copies of the County financial report, the management report and the single audit report for the purpose of completing the County's required submission to the California State Controller's Office. We estimate that this will total approximately 22 copies of each report.

We will complete the appropriate sections of and sign the Data Collection Form that summarizes our audit findings. We will provide 3 copies of our reports to the County of El Dorado; however, it is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and a corrective action plan) along with the Data Collection Form to the designated federal clearinghouse and, if appropriate, to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits. At the conclusion of the engagement, we will provide information to management as to where the reporting packages should be submitted and the number to submit.

The audit documentation for this engagement is the property of Bartig, Basler & Ray, LLP (A Gallina LLP Company) and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to the State Controller's Office or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Bartig, Basler & Ray, LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release or for any additional period requested by the State Controller's Office. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

The parties agree that any controversy or claim arising out of or relating to the services provided pursuant to this engagement letter agreement shall be determined by arbitration in accordance with the applicable Arbitration Rules for Professional Accounting and Related Services Disputes of the American Arbitration Association; and judgment on the award rendered by the arbitrator(s) may be rendered in any court of competent jurisdiction.

We expect to begin our audit within two weeks after the receipt of all requested schedules and the draft financial statements from the County. We anticipate that a draft report with footnotes will be issued within two weeks after the end of field work. Our fee for these services will be as follows:

<i>Task</i>	<i>Cost</i>
Audit of County's financial statements	\$ 42,180
Schedule of federal award expenditures and major program testing in accordance with single audit act	21,834
Audits of the Office of Emergency Services (OES) and California Department of Corrections and Rehabilitation (CDCR) grants in accordance with the grantee handbooks	3,810
Spousal Abuser Prosecution Program audit	3,300
Treasury Oversight Committee Compliance Review in accordance with GC Section 27134	2,756
Audits of State Community Services and Development (CSD) grants	5,000
Gann Limit Calculation Review	765
Electronic Filing of HUD Report	1,325
Total	\$ 80,970

Our invoices for these fees will be rendered each month as work progresses and are payable upon presentation. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2006 peer review report accompanies this letter.

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

Very truly yours,
Bartig, Basler & Ray, LLP
(A Gallina LLP Company)

Brad W. Constantine

RESPONSE:

This letter correctly sets forth the understanding of the County of El Dorado.

By: _____
Title: _____
Date: _____

CARL M. ARNTZEN, CPA
44 Amber Drive, San Francisco, CA 94131

Member American Institute of Certified Public Accountants
Member California Society of Certified Public Accountants

E Mail: CarlArntz@pacbell.net
Tel: (415) 285-8886 Fax: (415) 285-8307

To the Partners
Gallina LLP

December 15, 2006

I have reviewed the system of quality control for the accounting and auditing practice of Gallina LLP (the firm) in effect for the year ended June 30, 2006. A system of quality control encompasses the firm's organizational structure, the policies adopted and procedures established to provide it with reasonable assurance of conforming with professional standards. The elements of quality control are described in the Statements on Quality Control Standards issued by the American Institute of CPAs (AICPA). The firm is responsible for designing a system of quality control and complying with it to provide the firm reasonable assurance of conforming with professional standards in all material respects. My responsibility is to express an opinion on the design of the system of quality control and the firm's compliance with its system of quality control based on my review.

My review was conducted in accordance with standards established by the Peer Review Board of the AICPA. During my review, I read required representations from the firm, interviewed firm personnel and obtained an understanding of the nature of the firm's accounting and auditing practice, and the design of the firm's system of quality control sufficient to assess the risks implicit in its practice. Based on my assessments, I selected engagements and administrative files to test for conformity with professional standards and compliance with the firm's system of quality control. The engagements selected represented a reasonable cross-section of the firm's accounting and auditing practice with emphasis on higher-risk engagements. The engagements selected included among others, audits of Employee Benefit Plans and engagements performed under Government Auditing Standards. Prior to concluding the review, I reassessed the adequacy of the scope of the peer review procedures and met with firm management to discuss the results of my review. I believe that the procedures I performed provide a reasonable basis for my opinion.

In performing my review, I obtained an understanding of the system of quality control for the firm's accounting and auditing practice. In addition, I tested compliance with the firm's quality control policies and procedures to the extent I considered appropriate. These tests covered the application of the firm's policies and procedures on selected engagements. My review was based on selective tests and therefore it would not necessarily detect all weaknesses in the system of quality control or all instances of noncompliance with it. There are inherent limitations in the effectiveness of any system of quality control and therefore noncompliance with the system may occur and not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

In my opinion, the system of quality control for the accounting and auditing practice of Gallina LLP in effect for the year ended June 30, 2006, has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA and was complied with during the year then ended to provide the firm with reasonable assurance of complying with professional standards.

Carl M. Arntzen, CPA

Carl M. Arntzen, CPA

ORIGINAL

**AGREEMENT FOR SERVICES #044-S0511
AMENDMENT II**

THIS SECOND AMENDMENT to Agreement for Services #044-S0511, made and entered by and between the County of El Dorado, a political subdivision of the State of California (hereinafter referred to as "County") and Bartig, Basler and Ray, A Professional Corporation, duly qualified to conduct business in the State of California, whose principal place of business is 1520 Eureka Road, Suite 100, Roseville, CA 95661, (hereinafter referred to as "Consultant");

WITNESSETH

WHEREAS, Consultant has been engaged by County to provide an external audit of the financial statements for the County of El Dorado in accordance with Agreement for Services #044-S0511, incorporated herein and made by reference a part hereof; and

WHEREAS, the County has determined that it is necessary for Consultant to provide additional services amending **ARTICLE I - Scope of Services, ARTICLE II - Term, and ARTICLE III - Compensation for Services**

NOW THEREFORE, the parties do hereby agree that Agreement for Services #044-S0511 shall be amended a second time to read as follows:

ARTICLE I

Scope of Services: Consultant agrees to provide auditing services necessary for the provision of an external audit of the financial statements of the County for the fiscal year July 1, 2003 through June 30, 2004, as described in Exhibits "A-1" and "A-2". Consultant agrees to provide auditing services necessary for the provision of an external audit of the financial statements of the County to be completed by December 31, 2005, for fiscal year July 1, 2004 through June 30, 2005, as described in Amendment I, Exhibit "B". Consultant agrees to provide auditing services necessary for the provision of an external audit of the financial statements of the County to be completed by December 31, 2006, for the fiscal year July 1, 2005 through June 30, 2006, as described in Amendment II, Exhibit "C", incorporated herein and made by reference a part thereof.

ARTICLE II

Term: This Agreement shall become effective when fully executed by both parties hereto and shall expire on May 31, 2007.

ARTICLE III

Compensation for Services: For services provided herein, County agrees to pay Consultant lump sum upon completion of services. Payment shall be made within thirty (30) days following County receipt and approval of itemized invoice(s) detailing services rendered and shall be in

accordance with Exhibits "A-1" and "A-2". For the purpose hereof the billing rate for service provided shall be in accordance with Exhibit "B" to the original agreement, marked compensation for services provided for July 1, 2003 through June 30, 2004. For the period July 1, 2004 through June 30, 2005 the payment for services rendered shall be based upon invoices for the percentage of work completed, not to exceed the total fee of \$68,280. For the period July 1, 2005 through June 30, 2006 the payment for services rendered shall be based upon invoices for the percentage of work completed, not to exceed the total fee of \$76,700.

The total amount of this Agreement, as amended, shall be \$65,030 for services provided pursuant to 2003/2004 financial statements, \$68,280 for services provided pursuant to 2004/2005 financial statements, and \$76,700 for services provided pursuant to 2005/2006 financial statements, for a total not to exceed amount of \$210,010.

Except as herein amended, all other sections and parts of Agreement for Services #044-S0511 shall remain unchanged and in full force and effect.

Requesting Department Concurrence:

By: _____

Joe Hahn

Auditor-Controller

Dated: _____

5-30-06

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment to Agreement for Services #044-S0511 the day and year first below written.

-- COUNTY OF EL DORADO --

Dated: 5/9/06

By: _____

James R. Sweeney, Chairman
Board of Supervisors
"County"

ATTEST: Cindy Keck, Clerk
Of the Board of Supervisors

By: _____

Deputy Clerk

Dated: _____

5/9/06

--CONSULTANT--

Dated: 5/24/06

BARTIG, BASLER & RAY
A PROFESSIONAL CORPORATION

By: Brad W. Constantine
Brad Constantine, CPA
"Consultant"

ATTEST:

By: Brad W. Constantine Dated: 5/24/06
Corporate Secretary

Bartig, Basler & Ray

A Professional Corporation

Certified Public Accountants and Management Consultants

Scope of Services

06 MAY 16 11:10:56

Frank V. Trytkall
Brad W. Constantine
Bruce W. Stephenson
Rosanne M. Lopez
Jason J. Cardinet
Tyler K. Hunt

Curtis A. Orgill
M. Elba Zuniga

May 8, 2006

Mr. Joe Ham
County of El Dorado
360 Fair Lane
Placerville, CA 95667

Dear Mr. Ham:

We are pleased to confirm our understanding of the services we are to provide the County of El Dorado for the year ending June 30, 2006. We ask that you either confirm or amend that understanding:

We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, which collectively comprise the entity's basic financial statements of the County of El Dorado, as of and for the year ending June 30, 2006. Also, the document we submit to you will include the following supplementary information required by generally accepted accounting principles that will be subjected to certain limited procedures, but will not be audited:

1. Management's discussion and analysis.
2. Budgetary comparison schedules.
3. Schedule of funding progress.

Also, the document we submit to you will include the following additional information that will be subjected to the auditing procedures applied in our audit of the financial statements upon which we will provide an opinion in relation to the basic financial statements:

1. Schedule of expenditures of federal awards.
2. Combining and individual fund statements.

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. The objective also includes reporting on -

- Internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts and grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provision of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

The reports on internal control and compliance will each include a statement that the report is intended for the information and use of the audit committee, management, specific legislative or regulatory bodies, federal awarding agencies, and if applicable, pass-through entities and is not intended to be and should not be used by anyone other than those specified parties

Our audit will be conducted in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of OMB Circular A-133, and will include tests of the accounting records, a determination of major programs in accordance with Circular A-133, and other procedures we consider necessary to enable us to express such an opinion and to render the required reports. If our opinion on the financial statements or the Single Audit compliance is other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

Our audit will also include the following:

- (1) audits of the Office of Emergency Services (OES) and Board of Corrections (BOC) grants in accordance with the grantee handbooks
- (2) an audit of the Spousal Abuser Prosecution Program administered by the County's District Attorney's Office
- (3) a compliance audit of the County's investment practices in accordance with Government Code Section 27134
- (4) discrete presentation of State funded expenditures, in addition to federal expenditures, in the SEFA as required by the terms and conditions of pass-through grant contracts with State agencies
- (5) report on procedures performed pursuant to Article XIIIIB of the California Constitution
- (6) performance of agreed-upon procedures relating to electronic filing of the report for U.S. Department of Housing and Urban Development (HUD)
- (7) audits of State Community Services and Development (CSD) grants in accordance with the "Auditing Standards" provisions detailed in the grant agreements and CSD Supplemental Audit guide.

Management Responsibilities

Management is responsible for establishing and maintaining internal control and for compliance with laws, regulations, contracts agreements and grants. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of the controls. The objectives of internal control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorizations and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that federal award programs are managed in compliance with applicable laws and regulations and the provisions of contract and grant agreements.

Management is responsible for making all financial records and related information available to us. We understand that you will provide us with such information required for our audit and that you are

responsible for the accuracy and completeness of that information. We will advise you about appropriate accounting principles and their application and will advise you in the preparation of your financial statements, but the responsibility for the financial statements remains with you. 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. That responsibility includes the establishment and maintenance of adequate records and effective internal control over financial reporting, the selection and application of accounting principles, and the safeguarding of assets. Management is responsible for 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.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements. You are also responsible for informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations and for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report. Additionally, as required by OMB Circular A-133, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan.

Management is responsible for the preparation of the Management's Discussion and Analysis section of the financial report. This section is not a required part of the basic financial statements, but is additional information required by accounting principles generally accepted in the United States of America.

As part of the audit, we will prepare a draft of your financial statements, schedule of expenditures of federal awards, and related notes. In accordance with *Government Auditing Standards*, you will be required to review and approve those financial statements prior to their issuance and have a responsibility to be in a position in fact and appearance to make an informed judgment on those financial statements. Further, you are required to designate a qualified management-level individual to be responsible and accountable for overseeing our services.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse. As required by the Single Audit Act Amendments of 1996 and OMB Circular A-133, our audit will include tests of transactions related to major federal award programs for compliance with applicable laws and regulations and the provisions of contracts and grant agreements. Because an audit is designed to provide reasonable, but not absolute assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and

material effect on the financial statements or major programs. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that comes to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to matters that might arise during any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Controls

In planning and performing our audit, we will consider the internal control sufficient to plan the audit in order to determine the nature, timing, and extent of our auditing procedures for the purpose of expressing our opinion on the County's financial statements and on its compliance with requirements applicable to major programs.

We will obtain an understanding of the design of the relevant controls and whether they have been placed in operation, and we will assess control risk. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Tests of controls are required only if control risk is assessed below the maximum level. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by OMB Circular A-133, we will perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed on internal control issued pursuant to OMB Circular A-133.

An audit is not designed to provide assurance on internal control or to identify reportable conditions. However, we will inform the governing body or audit committee of any matters involving internal control and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. We will also inform you of any nonreportable conditions or other matters involving internal control, if any, as required by *Government Auditing Standards* and OMB Circular A-133.

Audit Procedures—Compliance

Our audit will be conducted in accordance with the standards referred to in the section titled Audit Objectives. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the County of El Dorado's compliance with applicable

laws and regulations and the provisions of contract and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

OMB Circular A-133 requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of the applicable procedures described in the *OMB Circular A-133 Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the County of El Dorado's major programs. The purpose of those procedures will be to express an opinion on County of El Dorado's compliance with requirements applicable to each of the major programs in our report on compliance issued pursuant to OMB Circular A-133.

Audit Administration, Fees, and Other

We understand that your employees will prepare all cash or other confirmations we request and will locate any invoices selected by us for testing.

At the conclusion of the engagement, we will provide 10 bound copies, 1 unbound copy and 1 electronic copy in pdf format of all reports. We will also provide additional bound copies of both the County financial report, the management report and the single audit report for the purpose of completing the County's required submission to the California State Controller's Office. We estimate that this will total approximately 22 copies of each report.

We will complete the appropriate sections of and sign the Data Collection Form that summarizes our audit findings. We will provide 3 copies of our reports to the County of El Dorado for purposes of filing with the designated federal clearing house; however, it is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and a corrective action plan) along with the Data Collection Form to the designated federal clearinghouse and, if appropriate, to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits. At the conclusion of the engagement, we will provide information to management as to where the reporting packages should be submitted and the number to submit.

The audit documentation for this engagement is the property of Bartig, Basler & Ray, CPAs, Inc. and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to the State Controller's Office or its designee, a federal agency providing direct or indirect funding, or the U.S. General Accounting Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Bartig, Basler & Ray personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of three years after the date the auditors' report is issued or for any additional period requested by the State Controller's Office. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding,

April 27, 2006

Page 6

we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit within two weeks after the receipt of all requested schedules and the draft financial statements from the County. We anticipate that a draft report with footnotes will be issued within two weeks after the end of field work. Our fee for these services will be as follows:

<i>Task</i>	<i>Cost</i>
Audit of County's financial statements	\$ 38,565
Schedule of federal award expenditures and major program testing in accordance with single audit act	19,270
Audits of the Office of Emergency Services (OES) and Board of Corrections (BOC) grants in accordance with the grantee handbooks	3,810
Spousal Abuser Prosecution Program audit	3,300
Treasury Oversight Committee Compliance Review in accordance with GC Section 27134	4,410
Audits of State Community Services and Development (CSD) grants	5,000
Gann Limit Calculation Review	1,020
Electronic Filing of HUD Report	1,325
Total	\$ 76,700

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2003 peer review report accompanies this letter.

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

Very truly yours,
Bartig, Basler & Ray, CPAs, Inc.

Brad W. Constantine

RESPONSE:

This letter correctly sets forth the understanding of County of El Dorado.

By: _____
Title: _____
Date: _____

HANSEN, BARNETT & MAXWELL

A Professional Corporation
CERTIFIED PUBLIC ACCOUNTANTS

(801) 532-2200

Fax (801) 532-7944

5 Triad Center, Suite 750

Salt Lake City, Utah 84180-1128

www.hbmcpas.com

January 24, 2003

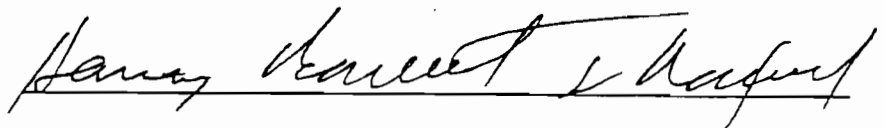
To the Shareholders
Bartig, Basler & Ray, CPAs, Inc.

We have reviewed the system of quality control for the accounting and auditing practice of Bartig, Basler & Ray, CPAs, Inc. (the firm) in effect for the year ended December 31, 2002. A system of quality control encompasses the firm's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of conforming with professional standards. The elements of quality control are described in the Statements on Quality Control Standards issued by the American Institute of Certified Public Accountants (AICPA). The design of the system, and compliance with it, are the responsibility of the firm. Our responsibility is to express an opinion on the design of the system, and the firm's compliance with the system based on our review.

Our review was conducted in accordance with standards established by the Peer Review Board of the AICPA. In performing our review, we obtained an understanding of the system of quality control for the firm's accounting and auditing practice. In addition, we tested compliance with the firm's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the firm's policies and procedures on selected engagements. Because our review was based on selective tests, it would not necessarily disclose all weaknesses in the system of quality control or all instances of lack of compliance with it.

Because there are inherent limitations in the effectiveness of any system of quality control, departures from the system may occur and not be detected. Also, projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control for the accounting and auditing practice of Bartig, Basler & Ray, CPAs, Inc. in effect for the year ended December 31, 2002, has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA and was complied with during the year then ended to provide the firm with reasonable assurance of conforming with professional standards.



ORIGINAL

AGREEMENT FOR SERVICES #044-S0511 AMENDMENT I

THIS FIRST AMENDMENT to Agreement for Services #044-S0511, made and entered by and between the County of El Dorado, a political subdivision of the State of California (hereinafter referred to as "County") and Bartig, Basler and Ray, A Professional Corporation, duly qualified to conduct business in the State of California, whose principal place of business is 1520 Eureka Road, Suite 100, Roseville, CA 95661, (hereinafter referred to as "Consultant");

WITNESSETH

WHEREAS, Consultant has been engaged by County to provide an external audit of the financial statements for the County of El Dorado in accordance with Agreement for Services #044-S0511, incorporated herein and made by reference a part hereof; and

WHEREAS, the County has determined that it is necessary for Consultant to provide additional services amending ARTICLE I - Scope of Services, ARTICLE II - Term, and ARTICLE III - Compensation for Services

NOW THEREFORE, the parties do hereby agree that Agreement for Services #044-S0511 shall be amended a first time to read as follows:

ARTICLE I

Scope of Services: Consultant agrees to provide auditing services necessary for the provision of an external audit of the financial statements of the County for the fiscal year July 1, 2003 through June 30, 2004, as described in Exhibits "A-1 and A-2". Consultant agrees to provide auditing services necessary for the provision of an external audit of the financial statements of the County to be completed by December 31, 2005, for fiscal year July 1, 2004 through June 30, 2005, as described in Exhibit "B-1", incorporated herein and made by reference a part thereof.

ARTICLE II

Term: This Agreement shall become effective when fully executed by both parties hereto and shall expire on May 31, 2006.

ARTICLE III

Compensation for Services: For services provided herein, County agrees to pay Consultant lump sum upon completion of services. Payment shall be made within thirty (30) days following County receipt and approval of itemized invoice(s) detailing services rendered and shall be in accordance with Exhibit "A". For the purpose hereof the billing rate for service provided shall be in accordance with Exhibit "B", marked compensation for services provided for July 1, 2003 through June 30, 2004. For the period July 1, 2004 through June 30, 2005 the payment for services rendered shall be based upon invoices for the percentage of work completed, not to exceed the total fee of \$68, 280.

The total amount of this Agreement, as amended, shall be \$65,030.00 for services provided pursuant to 2003/2004 financial statements, and \$68,280 for services provided pursuant to 2004/2005 financial statements, for a total not to exceed amount of \$133,310.

Except as herein amended, all other sections and parts of Agreement for Services #044-S0511 shall remain unchanged and in full force and effect.

Requesting Department Concurrence:

By: *Joe Haru* Dated: 5-23-05
Joe Haru
Auditor-Controller

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to Agreement for Services #044-S0511 the day and year first below written.

-- COUNTY OF EL DORADO --

Dated: 5-3-05
By: *Charlie Paine*
Charlie Paine, Chairman
Board of Supervisors
"County"

ATTEST: Cindy Keck, Clerk
Of the Board of Supervisors

By: *Cindy Keck* Dated: 5-3-05
Deputy Clerk

-- CONSULTANT --

Dated: 5/17/05
BARTIG, BASLER & RAY
A PROFESSIONAL CORPORATION
By: *Brad Constantine*
Brad Constantine, CPA
"Consultant"

ATTEST:

By: Brad W. Anderson Dated: 5/17/05
Corporate Secretary

Bartig, Basler & Ray

A Professional Corporation

Certified Public Accountants and Management Consultants

Frank V. Trythall
Brad W. Constantine
Bruce W. Stephenson
Roseanne M. Lopez
Jason J. Cardinet
Tyler K. Hunt

Curtis A. Orgill
M. Elba Zuniga

May 4, 2005

Mr. Joe Harn
County of El Dorado
360 Fair Lane
Placerville, CA 95667

Dear Mr. Harn:

We are pleased to confirm our understanding of the services we are to provide the County of El Dorado for the year ending June 30, 2005. We ask that you either confirm or amend that understanding:

We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, which collectively comprise the entity's basic financial statements of the County of El Dorado, as of and for the year ending June 30, 2005. Also, the document we submit to you will include the following additional information that will be subjected to the auditing procedures applied in our audit of the financial statements:

1. Management's discussion and analysis.
2. Schedule of expenditures of federal awards

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. The objective also includes reporting on –

- Internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts and grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provision of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

May 4, 2005

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The reports on internal control and compliance will each include a statement that the report is intended for the information and use of the audit committee, management, specific legislative or regulatory bodies, federal awarding agencies, and if applicable, pass-through entities and is not intended to be and should not be used by anyone other than those specified parties

Our audit will be conducted in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of OMB Circular A-133, and will include tests of the accounting records, a determination of major programs in accordance with Circular A-133, and other procedures we consider necessary to enable us to express such an opinion and to render the required reports. If our opinion on the financial statements or the Single Audit compliance is other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

Our audit will also include the following:

- (1) audits of the Office of Emergency Services (OES) and Board of Corrections (BOC) grants in accordance with the grantee handbooks
- (2) an audit of the Spousal Abuser Prosecution Program administered by the County's District Attorney's Office
- (3) a compliance audit of the County's investment practices in accordance with Government Code Section 27134
- (4) discrete presentation of State funded expenditures, in addition to federal expenditures, in the SEFA as required by the terms and conditions of pass-through grant contracts with State agencies
- (5) report on procedures performed pursuant to Article XIIIIB of the California Constitution
- (6) performance of agreed-upon procedures relating to electronic filing of the report for U.S. Department of Housing and Urban Development (HUD).

Management Responsibilities

Management is responsible for establishing and maintaining internal control and for compliance with laws, regulations, contracts agreements and grants. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of the controls. The objectives of internal control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorizations and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that federal award programs are managed in compliance with applicable laws and regulations and the provisions of contract and grant agreements.

Management is responsible for making all financial records and related information available to us. We understand that you will provide us with such information required for our audit and that you are responsible for the accuracy and completeness of that information. We will advise you about appropriate accounting principles and their application and will advise you in the preparation of your financial

May 4, 2005

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statements, but the responsibility for the financial statements remains with you. 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. That responsibility includes the establishment and maintenance of adequate records and effective internal control over financial reporting, the selection and application of accounting principles, and the safeguarding of assets. Management is responsible for 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.

Management is responsible for the preparation of the Management's Discussion and Analysis section of the financial report. This section is not a required part of the basic financial statements, but is additional information required by the Governmental Accounting Standards Board.

As part of the audit, we will prepare a draft of your financial statements, schedule of expenditures of federal awards, and related notes. In accordance with *Government Auditing Standards*, you will be required to review and approve those financial statements prior to their issuance and have a responsibility to be in a position in fact and appearance to make an informed judgment on those financial statements. Further, you are required to designate a qualified management-level individual to be responsible and accountable for overseeing our services.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements. You are also responsible for informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations. Additionally, as required by OMB Circular A-133, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. As required by the Single Audit Act Amendments of 1996 and OMB Circular A-133, our audit will include tests of transactions related to major federal award programs for compliance with applicable laws and regulations and the provisions of contracts and grant agreements. Because an audit is designed to provide reasonable, but not absolute assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major

May 4, 2005

Page 4

programs. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that comes to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to matters that might arise during any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Controls

In planning and performing our audit, we will consider the internal control sufficient to plan the audit in order to determine the nature, timing, and extent of our auditing procedures for the purpose of expressing our opinion on the County's financial statements and on its compliance with requirements applicable to major programs.

We will obtain an understanding of the design of the relevant controls and whether they have been placed in operation, and we will assess control risk. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Tests of controls are required only if control risk is assessed below the maximum level. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by OMB Circular A-133, we will perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed on internal control issued pursuant to OMB Circular A-133.

An audit is not designed to provide assurance on internal control or to identify reportable conditions. However, we will inform the governing body or audit committee of any matters involving internal control and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. We will also inform you of any nonreportable conditions or other matters involving internal control, if any, as required by *Government Auditing Standards* and OMB Circular A-133.

May 4, 2005

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Audit Procedures--Compliance

Our audit will be conducted in accordance with the standards referred to in the section titled Audit Objectives. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the County of El Dorado's compliance with applicable laws and regulations and the provisions of contract and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

OMB Circular A-133 requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of the applicable procedures described in the *OMB Circular A-133 Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the County of El Dorado's major programs. The purpose of those procedures, will be to express an opinion on County of El Dorado's compliance with requirements applicable to each of the major programs in our report on compliance issued pursuant to OMB Circular A-133.

Audit Administration, Fees, and Other

We understand that your employees will prepare all cash or other confirmations we request and will locate any invoices selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of and sign the Data Collection Form that summarizes our audit findings. We will provide 3 copies of our reports to the County of El Dorado; however, it is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and a corrective action plan) along with the Data Collection Form to the designated federal clearinghouse and, if appropriate, to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits. At the conclusion of the engagement, we will provide information to management as to where the reporting packages should be submitted and the number to submit.

The audit documentation for this engagement is the property of Bartig, Basler & Ray, CPAs, Inc. and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to the State Controller's Office or its designee, a federal agency providing direct or indirect funding, or the U.S. General Accounting Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Bartig, Basler & Ray personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of three years after the date the auditors' report is issued or for any additional period requested by the State Controller's Office. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding,

May 4, 2005

Page 6

we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit within two weeks after the receipt of all requested schedules and the draft financial statements from the County. We anticipate that a draft report with footnotes will be issued within two weeks after the end of field work. Our fee for these services will be as follows:

<i>Task</i>	<i>Cost</i>
Audit of County's financial statements	\$ 36,730
Schedule of federal award expenditures and major program testing in accordance with single audit act	18,350
OCJP grant audits in accordance with the OCJP grantee handbook	3,630
Spousal Abuser Prosecution Program audit	3,140
Treasury Oversight Committee Compliance Review in accordance with GC Section 27134	4,200
Gann Limit Calculation Review	970
Electronic Filing of HUD Report	1,260
Total	\$ 68,280

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2003 peer review report accompanies this letter.

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

Very truly yours,
Bartig, Basler & Ray, CPAs, Inc.



RESPONSE:

This letter correctly sets forth the understanding of County of El Dorado.

By: _____
Title: _____
Date: _____

Bartig, Basler & Ray

A Professional Corporation

Certified Public Accountants and Management Consultants

Frank V. Trythall
Brad W. Constantine
Bruce W. Stephenson
Roseanne M. Lopez
Jason J. Cardinet
Tyler K. Hunt

Curtis A. Orgill
M. Elba Zuniga

May 4, 2005

Mr. Joe Ham
County of El Dorado
360 Fair Lane
Placerville, CA 95667

Dear Mr. Ham:

We are pleased to confirm our understanding of the services we are to provide the County of El Dorado for the year ending June 30, 2005. We ask that you either confirm or amend that understanding:

We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, which collectively comprise the entity's basic financial statements of the County of El Dorado, as of and for the year ending June 30, 2005. Also, the document we submit to you will include the following additional information that will be subjected to the auditing procedures applied in our audit of the financial statements:

1. Management's discussion and analysis.
2. Schedule of expenditures of federal awards

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. The objective also includes reporting on -

- Internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts and grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provision of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

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The reports on internal control and compliance will each include a statement that the report is intended for the information and use of the audit committee, management, specific legislative or regulatory bodies, federal awarding agencies, and if applicable, pass-through entities and is not intended to be and should not be used by anyone other than those specified parties

Our audit will be conducted in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of OMB Circular A-133, and will include tests of the accounting records, a determination of major programs in accordance with Circular A-133, and other procedures we consider necessary to enable us to express such an opinion and to render the required reports. If our opinion on the financial statements or the Single Audit compliance is other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

Our audit will also include the following:

- (1) audits of the Office of Emergency Services (OES) and Board of Corrections (BOC) grants in accordance with the grantee handbooks
- (2) an audit of the Spousal Abuser Prosecution Program administered by the County's District Attorney's Office
- (3) a compliance audit of the County's investment practices in accordance with Government Code Section 27134
- (4) discrete presentation of State funded expenditures, in addition to federal expenditures, in the SEFA as required by the terms and conditions of pass-through grant contracts with State agencies
- (5) report on procedures performed pursuant to Article XIIIIB of the California Constitution
- (6) performance of agreed-upon procedures relating to electronic filing of the report for U.S. Department of Housing and Urban Development (HUD).

Management Responsibilities

Management is responsible for establishing and maintaining internal control and for compliance with laws, regulations, contracts agreements and grants. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of the controls. The objectives of internal control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorizations and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that federal award programs are managed in compliance with applicable laws and regulations and the provisions of contract and grant agreements.

Management is responsible for making all financial records and related information available to us. We understand that you will provide us with such information required for our audit and that you are responsible for the accuracy and completeness of that information. We will advise you about appropriate accounting principles and their application and will advise you in the preparation of your financial

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statements, but the responsibility for the financial statements remains with you. 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. That responsibility includes the establishment and maintenance of adequate records and effective internal control over financial reporting, the selection and application of accounting principles, and the safeguarding of assets. Management is responsible for 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.

Management is responsible for the preparation of the Management's Discussion and Analysis section of the financial report. This section is not a required part of the basic financial statements, but is additional information required by the Governmental Accounting Standards Board.

As part of the audit, we will prepare a draft of your financial statements, schedule of expenditures of federal awards, and related notes. In accordance with *Government Auditing Standards*, you will be required to review and approve those financial statements prior to their issuance and have a responsibility to be in a position in fact and appearance to make an informed judgment on those financial statements. Further, you are required to designate a qualified management-level individual to be responsible and accountable for overseeing our services.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements. You are also responsible for informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations. Additionally, as required by OMB Circular A-133, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. As required by the Single Audit Act Amendments of 1996 and OMB Circular A-133, our audit will include tests of transactions related to major federal award programs for compliance with applicable laws and regulations and the provisions of contracts and grant agreements. Because an audit is designed to provide reasonable, but not absolute assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major

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programs. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that comes to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to matters that might arise during any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Controls

In planning and performing our audit, we will consider the internal control sufficient to plan the audit in order to determine the nature, timing, and extent of our auditing procedures for the purpose of expressing our opinion on the County's financial statements and on its compliance with requirements applicable to major programs.

We will obtain an understanding of the design of the relevant controls and whether they have been placed in operation, and we will assess control risk. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Tests of controls are required only if control risk is assessed below the maximum level. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by OMB Circular A-133, we will perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed on internal control issued pursuant to OMB Circular A-133.

An audit is not designed to provide assurance on internal control or to identify reportable conditions. However, we will inform the governing body or audit committee of any matters involving internal control and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. We will also inform you of any nonreportable conditions or other matters involving internal control, if any, as required by *Government Auditing Standards* and OMB Circular A-133.

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Audit Procedures—Compliance

Our audit will be conducted in accordance with the standards referred to in the section titled Audit Objectives. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the County of El Dorado's compliance with applicable laws and regulations and the provisions of contract and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

OMB Circular A-133 requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of the applicable procedures described in the *OMB Circular A-133 Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the County of El Dorado's major programs. The purpose of those procedures, will be to express an opinion on County of El Dorado's compliance with requirements applicable to each of the major programs in our report on compliance issued pursuant to OMB Circular A-133.

Audit Administration, Fees, and Other

We understand that your employees will prepare all cash or other confirmations we request and will locate any invoices selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of and sign the Data Collection Form that summarizes our audit findings. We will provide 3 copies of our reports to the County of El Dorado; however, it is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and a corrective action plan) along with the Data Collection Form to the designated federal clearinghouse and, if appropriate, to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits. At the conclusion of the engagement, we will provide information to management as to where the reporting packages should be submitted and the number to submit.

The audit documentation for this engagement is the property of Bartig, Basler & Ray, CPAs, Inc. and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to the State Controller's Office or its designee, a federal agency providing direct or indirect funding, or the U.S. General Accounting Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Bartig, Basler & Ray personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of three years after the date the auditors' report is issued or for any additional period requested by the State Controller's Office. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding,

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we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit within two weeks after the receipt of all requested schedules and the draft financial statements from the County. We anticipate that a draft report with footnotes will be issued within two weeks after the end of field work. Our fee for these services will be as follows:

<i>Task</i>	<i>Cost</i>
Audit of County's financial statements	\$ 36,730
Schedule of federal award expenditures and major program testing in accordance with single audit act	18,350
OCJP grant audits in accordance with the OCJP grantee handbook	3,630
Spousal Abuser Prosecution Program audit	3,140
Treasury Oversight Committee Compliance Review in accordance with GC Section 27134	4,200
Gann Limit Calculation Review	970
Electronic Filing of HUD Report	1,260
Total	\$ 68,280

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2003 peer review report accompanies this letter.

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

Very truly yours,
Bartig, Basler & Ray, CPAs, Inc.

Brad W. Crankline

RESPONSE:

This letter correctly sets forth the understanding of County of El Dorado.

By: _____
Title: _____
Date: _____

AGREEMENT FOR SERVICES # 044-S0511

THIS AGREEMENT made and entered by and between the County of El Dorado, a political subdivision of the State of California (hereinafter referred to as "County") and Bartig, Basler & Ray, A Professional Corporation, duly qualified to conduct business in the State of California, whose principal place of business is 1520 Eureka Road, Suite 100, Roseville CA 95661, (hereinafter referred to as "Consultant");

WITNESSETH

WHEREAS, County has determined that it is necessary to obtain a Consultant to provide an external audit of the financial statements of the County for the fiscal year July 1, 2003 through June 30, 2004.

WHEREAS, Consultant 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; and

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

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

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

ARTICLE I

Scope of Services: Consultant agrees to provide auditing services necessary for the provision of an external audit of the financial statements of the County for the fiscal year July 1, 2003 through June 30, 2004 as described in Exhibit "A-1", and Exhibit "A-2", marked "Scope of Services", incorporated herein and made by reference a part hereof.

ARTICLE II

Term: This Agreement shall become effective June 1, 2004 and shall expire May 31, 2005. This Agreement may be extended for one additional one-year period, if mutually

agreed by both parties hereto, in writing not less than thirty (30) days prior to the expiration of this Agreement.

ARTICLE III

Compensation for Services: For services provided herein, County agrees to pay Consultant lump sum upon completion of services. Payment shall be made within thirty (30) days following County receipt and approval of itemized invoice(s) detailing services rendered and shall be in accordance with Exhibit "A". For the purpose hereof the billing rate for services provided shall be in accordance with Exhibit "B", marked "Compensation", incorporated herein and made by reference a part hereof. **The total amount of this Agreement shall not exceed \$65,030.00 per fiscal year audited.**

ARTICLE IV

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 V

Consultant 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, Consultant shall act as Consultant only to County and shall not act as Consultant 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 Consultant's responsibilities to County during term hereof.

ARTICLE VI

Assignment and Delegation: Consultant is engaged by County for its unique qualifications and skills as well as those of its personnel. Consultant 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 VII

Independent Consultant/Liability: Consultant is, and shall be at all times, deemed independent and shall be wholly responsible for the manner in which it performs services required by terms of this Agreement. Consultant 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.

Consultant 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 Consultant or its employees.

ARTICLE VIII

Fiscal Considerations: The parties to this Agreement recognize and acknowledge that County is a political subdivision of the State of California. As such, El Dorado 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 the County, this Agreement may be deemed to be canceled in its entirety subject to payment for services performed prior to cancellation.

ARTICLE IX

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 on 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.

- B. **Bankruptcy:** This Agreement, at the option of the County, shall be terminable in the case of bankruptcy, voluntary or involuntary, or insolvency of Consultant.

- C. **Ceasing Performance:** County may terminate this Agreement in the event Consultant 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 seven (7) calendar days upon written notice by County for any reason. 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 Consultant, 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 contract. Upon receipt of a Notice of Termination, Consultant 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. In the event of termination for default, County reserves the right to take over and complete the work by contract or by any other means.

ARTICLE X

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:

COUNTY OF EL DORADO
AUDITOR-CONTROLLER
360 FAIR LANE
PLACERVILLE, CA 95667
ATTN: JOE HARN, AUDITOR-CONTROLLER

or to such other location as the County directs.

Notices to Consultant shall be addressed as follows:

BARTIG, BASLER & RAY, A PROFESSIONAL CORPORATION
1520 EUREKA ROAD, SUITE 100
ROSEVILLE, CA 95661
ATTN: BRAD W. CONSTANTINE, CPA

or to such other location as the Consultant directs.

ARTICLE XI

Indemnity: The Consultant shall defend, indemnify and hold the County 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 the Consultant's services, operations or performance hereunder, regardless of the existence or degree of fault or negligence on the part of the County, the Consultant,

subcontractor(s) and employee(s) or any of these, except for the sole or active negligence of the County, its officers and employees, or as expressly proscribed by statute. This duty of Consultant to indemnify and save County harmless includes the duties to defend set forth in California Civil Code Section 2778.

ARTICLE XII

Insurance: Consultant shall provide proof of a policy of insurance satisfactory to the El Dorado County Risk Manager and documentation evidencing that Consultant maintains insurance that meets the following requirements:

- A. Full Worker's Compensation and Employer's Liability Insurance covering all employees of Consultant as required by law in the State of California.
- B. Commercial General Liability Insurance of not less than \$1,000,000.00 combined single limit per occurrence for bodily injury and property damage.
- C. Automobile Liability Insurance of not less than \$500,000.00 is required in the event motor vehicles are used by the Consultant in the performance of the Agreement.
- D. In the event Consultant is a licensed professional, and is performing professional services under this Agreement, professional liability (for example, malpractice insurance) is required with a limit of liability of not less than \$1,000,000.00 per occurrence. For the purposes of this Agreement, professional liability is required.
- E. Consultant shall furnish a certificate of insurance satisfactory to the El Dorado County Risk Manager as evidence that the insurance required above is being maintained.
- F. The insurance will be issued by an insurance company acceptable to Risk Management, or be provided through partial or total self-insurance likewise acceptable to Risk Management.
- G. Consultant agrees that the insurance required above 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, Consultant 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 Consultant agrees that no work or services shall be performed prior to the giving of such approval. In the event the Consultant 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 thirty (30) days prior written notice to County, and;
 2. The County of El Dorado, its officers, officials, employees and volunteers are included as additional insured, but only insofar as the operations under this Agreement are concerned. This provision shall apply to all liability policies except worker's compensation and professional liability insurance policies.
-
- I. The Consultant's insurance coverage shall be primary insurance as respects the County, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the County, its officers, officials, employees or volunteers shall be in excess of the Consultant's insurance and shall not contribute with it.
 - J. Any deductibles or self-insured retentions must be declared to and approved by the County, either; the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the County, its officers, officials, employees and volunteers; or the Consultant 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 the 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. Consultant's obligations shall not be limited by the foregoing insurance requirements and shall survive expiration of this Agreement.
 - N. In the event Consultant cannot provide an occurrence policy, Consultant 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. Certificate of insurance shall meet such additional standards as may be determined by the contracting County Department either independently or in consultation with Risk Management, as essential for protection of the County.

ARTICLE XIII

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 Consultant 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 XIV

Interest of Consultant: Consultant covenants that Consultant 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. Consultant further covenants that in the performance of this Agreement no person having any such interest shall be employed by Consultant.

ARTICLE XV

Confidentiality: Consultant agrees that it will comply with all ethical duties, will maintain the integrity of a confidential relationship, and will take all steps available to preserve all applicable legal privileges, confidences, and records from disclosure. All documents and information reviewed by Consultant pursuant to this contract, all opinions and conclusions of Consultant, any reports, information, data, statistics, forms, procedures, systems, studies and all communications with County, are confidential. Consultant is responsible for insuring that it and all of its employees faithfully adhere to the confidentiality requirements of law and this Agreement.

ARTICLE XVI

California Residency (Form 590): All independent Consultants providing services to the County must file a State of California Form 590, certifying their California residency or, in the case of a corporation, certify that they have a permanent place of business in California. The Consultant will be required to submit a Form 590 prior to execution of an Agreement or County shall withhold seven (7%) percent of each payment made to the Consultant during term of the Agreement. This requirement applies to any agreement/contract exceeding \$1,500.00.

ARTICLE XVII

Taxpayer Identification Number (Form W-9): All independent Consultants or Corporations providing services to the County must file a Department of the Treasury Internal Revenue Services Form W-9, certifying their Taxpayer Identification Number.

ARTICLE XVIII

Administrator: The County Officer or employee with responsibility for administering this Agreement is Joe H. Harn, Auditor-Controller, or successor.

ARTICLE XIX

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 to the obligations set forth herein.

ARTICLE XX

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

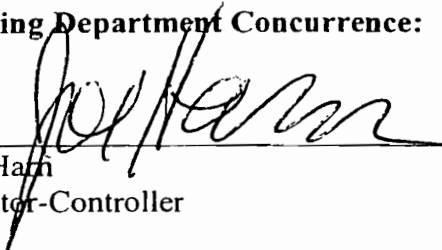
ARTICLE XXI

Venue: Any dispute resolution action rising 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. Consultant waives any removal rights it might have under Code of Civil Procedure Section 394.

ARTICLE XXII

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.

Requesting Department Concurrence:

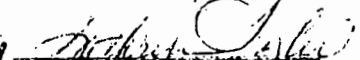
By:  Dated: 9-2-04
Joe Harri
Auditor-Controller


IN WITNESS WHEREOF, the parties hereto have executed this Agreement #044-S0511 the day and year first below written.

-- COUNTY OF EL DORADO --

Dated: May 18, 2004

**ATTEST: CINDY KECK, Clark
of the Board of Supervisors**

By: 
DEPUTY 5/18/2004

By: 
Rusty Dupray, Chairman
Board of Supervisors
"County"

ATTEST: Cindy Keck, Clerk
of the Board of Supervisors

By: _____ Dated: _____
Deputy Clerk

-- CONSULTANT --

Dated: 9/11/04

BARTIG, BASLER & RAY
A PROFESSIONAL CORPORATION

By: Brad W. Constantine
Brad W. Constantine, CPA
"Consultant"

ATTEST:

By: Brad W. Constantine Dated: 9/11/04
Corporate Secretary

Bartig, Basler & Ray

A Professional Corporation

Certified Public Accountants and Management Consultants

Frank V. Trythall
Kenneth E. Pope
Brad W. Constantine
Theril H. Lund
Bruce W. Stephenson
Roseanne M. Lopez

Curtis A. Orgill
M. Elba Zúñiga

June 15, 2004

Mr. Joe Harn
Auditor-Controller
County of El Dorado
County Government Center, 360 Fair Lane
Placerville, CA 95667

Dear Mr. Harn,

This letter is to explain our understanding of the arrangements for the services we are to perform for the County of El Dorado for the year ending June 30, 2004. We ask that you either confirm or amend that understanding.

We will perform an audit of the County of El Dorado's basic financial statements as of and for the year ending June 30, 2004. We understand that these financial statements will be prepared in accordance with generally accepted accounting principles. We understand that the financial statements will be presented in accordance with the financial reporting model as described in Government Accounting Standards Board (GASB) Statement No. 34.

We will also perform the audit of the County of El Dorado as of June 30, 2004 so as to satisfy the audit requirements imposed by the Single Audit Act and the U.S. Office of Management and Budget (OMB Circular No. A-133).

We will conduct our audit in accordance with generally accepted auditing standards, "Government Auditing Standards" issued by the Comptroller General of the United States and the provisions of the Single Audit Act, OMB Circular A-133 and OMB's Compliance Supplement. Those standards, circulars, supplements or guides require that we plan and perform the audit to obtain reasonable rather than absolute, assurance about whether the financial statements are free of material misstatement whether caused by error, fraudulent financial reporting or misappropriation of assets. Accordingly, a material misstatement, whether caused by error, fraudulent financial reporting or misappropriation of assets, may remain undetected. An audit includes examining, on a test basis evidence supporting the amounts and disclosures in the financial statements. As a result, an audit is not designed to detect errors or fraud that are immaterial to the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit will provide a reasonable basis for our report(s).

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In addition to our report(s) on the County of El Dorado's financial statements, we will also issue the following reports or types of reports:

A report on the fairness of the presentation of the County of El Dorado's schedule of expenditures of Federal awards for the year ending June 30, 2004.

Reports on internal control related to the financial statements, and major programs. These reports will describe the scope of testing of internal control and the results of our tests of internal controls.

Reports on compliance with laws, regulations, and the provision of contracts or grant agreements. We will report on any noncompliance which could have a material effect on the financial statements and any noncompliance which could have a direct and material effect on each major program.

A schedule of findings and questioned costs.

A report on procedures performed pursuant to Article XIII B of the California Constitution.

A management letter on the County of El Dorado commenting on the County's internal control and recommendations for improvements, if applicable.

The funds and account groups that you have told us are maintained by the County of El Dorado and that are to be included as part of our audit are listed here: General Fund, Special Revenue Funds, Capital Project Funds, Debt Service Funds, Enterprise Funds and Internal Service Funds. We are not engaged to audit the School funds, the funds of the Special Districts that are governed by local boards nor other agency funds for which the County serves as the Treasurer.

Our report on internal control will include any reportable conditions and material weaknesses in the system of which we become aware as a result of obtaining an understanding of internal control and performing tests of internal control consistent with requirements of the standards and circular identified above. Our report on compliance will address material errors, fraud; violations of compliance requirements and other responsibilities imposed by state and Federal statutes and regulations and assumed by contracts; and any state or Federal grant, entitlement of loan program questioned costs of which we become aware, consistent with requirements of the standards and circulars identified above.

If circumstances arise relating to the conditions of your records, the availability of sufficient, competent evidential matter, or indications of a significant risk of material misstatement of the financial statements because of error, fraudulent financial reporting, misappropriation of assets or noncompliance which in our professional judgment prevent us from completing the audit, we retain the unilateral right to take any course of action permitted by professional standards, including withdrawal from the engagement.

As you know, management is responsible for (1) the preparation of the County of El Dorado's financial statements, (2) establishing and maintaining effective internal control over financial reporting and safeguarding assets, (3) properly recording transactions in the records, (4) identifying and ensuring that the County of El Dorado complies with the laws and regulations applicable to its activities, (5) making all financial records and related information available to us, and (6) for adjusting the financial statements to correct material misstatements. At the conclusion of our audit, we will request certain written

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representations from management about the financial statements and matters related thereto. We will also require that you affirm to us 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 statement taken as a whole.

County of El Dorado hereby indemnifies Bartig, Basler & Ray, CPAs, Inc. and its partners, principals and employees and holds them harmless from all claims, liabilities, losses and costs arising in circumstances where there has been a knowing misrepresentation by a member of the County of El Dorado's management, regardless of whether such person was acting in the County of El Dorado's interest

We will prepare the County of El Dorado's Data Collection Form which you will be required to file. You acknowledge that you have the final responsibility for the report, therefore, you should review it carefully before you sign and file it.

The County of El Dorado is responsible for the preparation of the Management's Discussion and Analysis (MD&A) section required as part of the reporting model described in GASB Statement #34. In addition, the County is responsible for identifying the trust and agency funds that will be combined with the General fund or other operating funds of the County. Compilation of beginning fund balance, revenue and expenditure data for these funds will be the responsibility of the County of El Dorado. In addition, the County of El Dorado is responsible for the reconciliation between the fund financial statements and the government wide financial statements. The reconciliation includes accounting for the capital asset additions, deletions and gains/(losses) as well as the accounting for the addition and retirement of long-term debt.

The working papers for this engagement are the property of the County of El Dorado. However, you acknowledge and grant your assent that representatives of the cognizant or oversight agency or their designee, other government audit staffs and the U.S. General Accounting Office shall have access to the audit working papers upon their request; and that we shall maintain the working papers for a period of at least seven years after the date of the report, or for a longer period if we are requested to do so by the cognizant or oversight agency. Access to requested workpapers will be provided under the supervision of Bartig, Basler & Ray, CPAs, Inc. audit personnel and at a location designated by our Firm.

During the course of our engagement, we may accumulate records containing data which should be reflected in your books and records. You will determine that all such data, if necessary, will be so reflected. Accordingly, you will not expect us to maintain copies of such records in our possession.

We will provide the County with a list of items and schedules that will be required for the audit. The timely and accurate completion of this work is an essential condition to our completion of the audit and issuance of our audit report. We understand that the accounting records will be ready for audit on November 15, 2004.

Our fee for the services described in this letter will not exceed the amount as listed in the existing contract unless the scope of the engagement is changed, the assistance which the County of El Dorado has agreed to furnish is not provided, or unexpected conditions are encountered, in which case we will discuss the situation with you before proceeding. All other provisions of this letter will survive any fee adjustment.

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Our report on the financial statements is not to be included in an official statement or other document involved with the sale of debt instruments without our prior consent. Additionally, if you intend to publish or otherwise reproduce the financial statements and/or make reference to us or our audit, you agree to provide us with printer's proofs or master for our review and consent before reproduction and/or release occurs. You also agree to provide us with a copy of the final reproduced material for our consent before it is distributed or released. Our fees for any additional services that may be required under our quality assurance system as a result of the above will be established with you at the time such services are determined to be necessary.

In accordance with "Government Auditing Standards," a copy of our most recent peer review report is enclosed, for your information.

If this letter defines the arrangements as you understand them, please sign and date the enclosed copy and return it to us. We appreciate your business.

BARTIG, BASLER & RAY, CPAs, INC.

Brad W. Constantine

Brad. W. Constantine, CPA

Confirmed on behalf of
the County of El Dorado

Name, Title

Date

Agmt 044-S0511 Exhibit A-2 Scope Of Service
August 4, 2004

Bartig, Basler & Ray, CPAs, Inc.
1520 Eureka Road, Suite 100
Roseville, CA 95661

In connection with your engagement to apply agreed-upon procedures to the worksheet entitled Gann Limit Calculation of the County of El Dorado, we confirm, to the best of our knowledge and belief, the following representations made to you during your engagement.

1. The worksheet noted above was prepared by us and conforms to the requirements and regulations as Proposition XIII and Proposition 111.
2. The information used to prepare the worksheet was taken from the Department of Finance letter dated May 1, 2003.
3. We have made available to you all significant information that we believe is relevant to the worksheet, and we are not aware of any information not previously disclosed to you that significantly changes the worksheet.
4. The documents and records supporting the assumptions are appropriate.
5. We have responded fully to all inquiries made to us by you during the engagement.
6. Your report is intended solely for the information and use of the County Board of Supervisors and is not intended to be and should not be used by anyone other than those specified parties.

Signature: _____
Title: _____

amt. 044-S0511 Exhibit B
 "Compensation" for FY 2003/2004

Task A – Basic Financial Statements

Classification	Rate	Hours	Total Cost
Shareholder	\$ 235	28	\$ 6,580
Director	180	76	13,680
Managers	155	35	5,425
Supervisor	115	40	4,600
Staff	100	26	2,600
Clerical	70	30	2,100
Total		235	\$ 34,985

Task B – Single Audit

Classification	Rate	Hours	Total Cost
Shareholder	\$ 235	5	1,175
Director	155	–	–
Managers	155	45	6,975
Supervisor	115	75	8,625
Seniors	115		
Staff	100		
Clerical	70	10	700
Total		135	17,475

Task C – OCJP Grants

Classification	Rate	Hours	Total Cost
Shareholder	\$ 235	1	235
Director	155		
Managers	155		
Supervisor	115	3	345
Seniors	115	25	2,875
Total		29	3,455

Task D – Gann Limit Calculation

Classification	Rate	Hours	Total Cost
Shareholder	\$ 235	1	235
Director	155		
Managers	155		
Supervisor	115		
Seniors	115	6	690
Total		7	925

Task E – County’s State DOJ Spousal Abuser Prosecution Program

Classification	Rate	Hours	Total Cost
Shareholder	\$ 235	1	235
Director	155		
Managers	155		
Seniors	115	24	2,760
Staff	110		
Total		25	2,995

Task F – Agreed Upon Procedures for Electronic Filing - HUD

Classification	Rate	Hours	Total Cost
Staff	100	12	1,200
Total		12	1,200

Task G – County’s Investment Pool Portfolio

Classification	Rate	Hours	Total Cost
Shareholder	\$ 235	17	3,995
Director	155		
Managers	155		
Seniors	115		
Staff	110		
Total		17	3,995