

**THIRD AMENDMENT TO BOARD OF SUPERVISORS
AGREEMENT NO. 18-079**

This Third Amendment to BOS Agreement No. 18-079 is entered into this 20th day of June, 2023, by and between the COUNTY OF MENDOCINO, a political subdivision of the State of California, hereinafter referred to as "COUNTY" and CLIFTON LARSON ALLEN LLP, hereinafter referred to as "CONTRACTOR".

WHEREAS, BOS Agreement No. 18-079 was entered into on June 20, 2018; and

WHEREAS, BOS Agreement No. 18-079 was Amended April 20, 2021 by BOS Amendment 18-079-A1 to extend contract term to add Audit Services for audit years ending June 30, 2021 and June 30, 2022; and

WHEREAS, BOS Agreement No. 18-079 was Amended November 8, 2022 by BOS Amendment 18-079-A2 to add to expand Scope of Work for audit years ending June 30, 2021 and June 30, 2022 and to grant authority to the Auditor-Controller/Treasurer Tax-Collector and the Chief Executive Officer to sign the audit engagement and management representation letters on behalf of the County; and

WHEREAS, upon execution of this document by the Chair of the Mendocino County Board of Supervisors and CONTRACTOR, this document will become part of the aforementioned contract and shall be incorporated therein; and

WHEREAS, it is the desire of the COUNTY to amend contract 18-079 to expand Scope of Work for audit year ending June 30, 2022 and extend contract term to add Audit Services for audit year ending June 30, 2023; and

WHEREAS, BOS Agreement No. 18-079 is to be amended to also include the attached Exhibit A-3 to amend Scope of Work and Exhibit B-3 to amend contract term and payment; and

WHEREAS, it is the desire of CONTRACTOR and COUNTY to increase the amount of the Agreement by \$123,500, from \$405,900 to \$529,400; and

NOW, THEREFORE, we agree as follows:

1. The Scope of Work as set forth in BOS Agreement No. 18-079 is revised by the attached Exhibit A-3: 18-079-A3 additional services.
2. The contract term and payment terms as set forth in BOS Agreement No. 18-079 are revised by Exhibit B-3: Contract Term and Payment Terms.
3. The amount set forth in BOS Agreement No. 18-079 will be increased from \$405,900 to \$529,400.

All other terms and conditions of BOS Agreement No. 18-079 shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

DEPARTMENT FISCAL REVIEW:

Chamisa Cubrin 6/5/2023
DEPARTMENT HEAD DATE

Budgeted: ☒ Yes ☐ No

Budget Unit: 1940

Line Item: MS 862181

Grant: ☐ Yes ☒ No

Grant No.: _____

CONTRACTOR/COMPANY NAME:

By: [Signature] 6/5/2023
Signature Date

NAME AND ADDRESS OF CONTRACTOR:

CliftonLarsonAllen LLP

915 Highland Pointe Dr. Suite 300

Roseville, CA 95678

COUNTY OF MENDOCINO

By: Glenn McGourty
GLENN MCGOURTY, Chair
BOARD OF SUPERVISORS

Date: 06/20/2023

ATTEST:

DARCIE ANTLE, Clerk of said Board

By: [Signature]
Deputy 06/20/2023

I hereby certify that according to the provisions of Government Code section 25103, delivery of this document has been made.

DARCIE ANTLE, Clerk of said Board

By: [Signature]
Deputy 06/20/2023

By signing above, signatory warrants and represents that he/she executed this Agreement in his/her authorized capacity and that by his/her signature on this Agreement, he/she or the entity upon behalf of which he/she acted, executed this Agreement

COUNTY COUNSEL REVIEW:

APPROVED AS TO FORM:

CHRISTIAN M. CURTIS,
County Counsel

By: Brina Blanton
Deputy

Date: 06/05/2023

INSURANCE REVIEW:

By: Darcie Antle
Risk Management

Date: 06/05/2023

EXECUTIVE OFFICE/FISCAL REVIEW:

By: [Signature]
Deputy CEO or Designee

Date: 06/05/2023

Signatory Authority: \$0-25,000 Department; \$25,001- 50,000 Purchasing Agent; \$50,001+ Board of Supervisors

Exception to Bid Process Required/Completed ☐ _____

Mendocino County Business License: Valid ☐

Exempt Pursuant to MCC Section: _____

EXHIBIT A-3

DEFINITION OF SERVICES

Contract 18-079: CONTRACTOR shall provide the following services:

Audit Services for audit years ending June 30, 2018, June 30, 2019, and June 30, 2020.

- a. In general, the auditors will perform a financial and compliance audit to determine (a) whether the combined financial statements of the COUNTY fairly presents the financial position and the results of financial operations in accordance with generally accepted accounting principles, and (b) whether the COUNTY has complied with laws and regulations that may have a material effect upon the financial statements.
- b. The auditors will examine the COUNTY's internal accounting controls and accounting procedures and render written reports of their findings and recommendations to the Auditor-Controller and the Chief Executive Officer. The examination shall be made and reports rendered in accordance with generally accepted government auditing standards. In addition, the auditors shall communicate to the Auditor-Controller and Chief Executive Officer any reportable conditions found during the audit that can be defined as either a significant or material weakness in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with assertions of management in the financial statement.
- c. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the Auditor-Controller and Chief Executive Officer.
- d. Auditors shall include all funds of the COUNTY and any component unit(s).
- e. Under the requirement of the Federal Governments program covering a single audit for all federal grant funds, auditors shall conduct an audit in accordance with the 'Single Audit Act, OMB Circular A-133 and related government auditing standards.
- f. Auditors shall submit a management letter setting forth their findings and /or recommendations on those matters noted and observed during the conduct of the examination of the financial records and developed within the scope usually associated with such an examination relating to, but not limited to:
 - Improvement in systems of internal control.
 - Improvement in accounting system.
 - Apparent noncompliance with laws, rules, and regulations.
 - Any other material matters coming to the attention of the FIRM during the conduct of the examination.

- g. Auditors will assist COUNTY in transitioning to reporting financial results within a ACFR (Annual Comprehensive Financial Report) that meets GFOA Standards.

Contract 18-079-A1: CONTRACTOR shall provide the following additional services:

Audit Services for audit years ending June 30, 2021, and June 30, 2022.

Contract 18-079-A2: CONTRACTOR shall provide the following additional services:

- h. Perform additional test work related to new GASB pronouncements as follows:
- the FY 2021 implementation of GASB 84 Fiduciary Activities, and
 - the FY 2022 implementation of GASB 87 Lease Reporting.
- i. Perform additional major program testing related to COVID funding as necessary for Federal Programs.
- j. Assist the COUNTY with preparation of adjusting entries at the Org/Object level for posting to Munis.
- k. Assist COUNTY in coding the trail balance for use in preparing the State Financial Transactions Report.

Contract 18-079-A3: CONTRACTOR shall provide the following additional services:

- l. Assist County with internal transition of trust account balances in accordance with GASB 84,
- m. Assist County with equity variances related to posting year end adjusting entries,

Audit Services for audit year ending June 30, 2023.

[END OF DEFINITION OF SERVICES]

EXHIBIT B-3

CONTRACT TERM and PAYMENT TERMS

Contract term to be extended to June 30, 2024.

COUNTY will pay CONTRACTOR a sum of no more than Five Hundred Twenty-Nine Thousand, Four Hundred Dollars (\$529,400) over the term of this agreement. Contract audit fees to be revised for audit Year 5 and Year 6 as follows:

Contract	Services	Year 1 FY 2018	Year 2 FY 2019	Year 3 FY 2020	Year 4 FY 2021	Year 5 FY 2022	Year 6 FY 2023	Subtotal Each	CONTRACT TOTAL
18-079	Audit (w/ ACFR) Year 1 Year 2 Year 3	70,500	70,500	72,600				213,600	213,600
18-079-A1	Audit (w/ ACFR) Year 4 Year 5				72,950	74,350		147,300	360,900
18-079-A2	Additional Svcs				20,000	25,000		45,000	405,900
18-079-A3	Additional svcs Audit (w/ ACFR) [1] Year 6					15,000			
							108,500	123,500	529,400
Subtotal by Year		70,500	70,500	72,600	92,950	114,350	108,500	529,400	

NOTE [1] Audit fees for audit year ending June 30, 2023 are detailed as follows:

County Financial Statements	72,000
GANN AUP	1,500
Single Audit, up to 4 major programs	35,000
	108,500

If additional major Single Audit programs are required, they will be \$8,000 - \$12,000, depending on the program and level of work involved to audit that program.

Audit fees for audit year ending June 30, 2022, will not exceed the maximum fee amount of \$114,350. Audit fees for audit year ending June 30, 2023, will not exceed \$108,500 for up to 4 major Single Audit programs.

Contract payments will be made on the basis of satisfactory performance by the CONTRACTOR as determined by the COUNTY. Final payment to the CONTRACTOR will only be made when the COUNTY finds the work performed by the CONTRACTOR is satisfactory and final work product and documents submitted meet the tasks of the project and is accepted by the COUNTY.

[END OF PAYMENT TERMS]