



STAFF REPORT

Report To: Board of Supervisors **Meeting Date:** March 18, 2021

Staff Contact: Sheri Russell, Chief Financial Officer (srussell@carson.org)

Agenda Title: For Possible Action: Discussion and possible action regarding the recommended designation of HintonBurdick CPAs & Advisors as Carson City's audit firm for Fiscal Year ("FY") 2020-2021 pursuant to NRS 354.624, and whether to award Contract No. 20300264, External Audit Services with HintonBurdick CPAs & Advisors, for a total not to exceed amount of \$296,750 for three years and terminating on March 31, 2024, which includes an annual contingency amount of \$3,000 if needed for the auditing of any additional federal funding programs, for the audits of FYs 2021, 2022 and 2023, plus two one-year renewal options by mutual consent in the amount of \$98,250 for FY 2024 and \$100,750 for FY 2025. (Sheri Russell, srussell@carson.org)

Staff Summary: NRS 354.624 requires Carson City to designate an auditor or audit firm to audit its financial statements not later than three months before the close of the fiscal year. Carson City must also notify the Department of Taxation of this designation by March 31, 2021. If approved, the total not to exceed contract amount of \$296,750 will be paid annually over the next three years in the following amounts: \$98,250 in year 1 (April 1, 2021 - March 31, 2022); \$93,250 in year 2 (April 1, 2022 - March 31, 2023); and \$96,250 in year 3 (April 1, 2023 - March 31, 2024). The contract sum for each year includes an annual contingency amount of \$3,000 if needed for the auditing of any additional federal funding programs. Staff recommends an initial three-year contract with the option of two one-year extensions, if agreed to by both parties, in the amount of \$98,250 for FY 2024 and \$100,750 for FY 2025.

Agenda Action: Formal Action / Motion **Time Requested:** 10 Minutes

Proposed Motion

I move to designate HintonBurdick CPAs & Advisors as Carson City's audit firm for Fiscal Year 2020-2021, and to approve the contract as presented.

Board's Strategic Goal

Efficient Government

Previous Action

The Carson City Audit Committee approved staff's recommendation of selecting HintonBurdick CPAs and Advisors as the City's external auditor at its special meeting on March 9, 2021.

Background/Issues & Analysis

Pursuant to NRS 354.624, the governing body of a local government may, without requiring competitive bids, designate its auditor or firm annually. Notice of the designation must be sent to the Department of Taxation not later than three months before the close of the fiscal year for which the audit is to be made.

Staff published a public request for statement of qualifications to include cost proposals, and created a Finance Review and Selection Committee to review the proposals received.

A formal Statement of Qualifications ("SOQ") was released on January 15, 2021 and proposals were accepted through 2:00 p.m. on February 12, 2021. The SOQs were opened at approximately 2:15 p.m. on February 12, at 201 North Carson Street, Suite 2, Carson City, Nevada 89701, and sent for review by the Finance Review and Selection Committee. Carson City received the following two proposals for FY 2021:

HintonBurdick CPA's and Advisors	\$98,250 – additional single audit \$1,500
BDO, LLP	\$115,210 – additional single audit \$2,500

Both firms scored very closely on qualifications; both SOQs submitted were complete, had recent peer reviews, included two federal grant programs in their base bids and listed very qualified individuals. The deciding factor for selection was the amount proposed to be charged for the services to be performed. The City's previous auditor, Piercy Bowler Taylor and Kern's ("PBTK"), had a winning proposal three years ago in the amount of \$98,750 for each of the three contract years that were awarded. Although PBTK merged with BDO, LLP on July 1, 2019 and therefore staff was aware of the firm's organizational change, the 16.67% increase in the proposal from BDO, LLP was unexpected.

Staff recommends HintonBurdick CPAs and Advisors as the City's external audit firm based on having the necessary qualifications and providing the required services at the most reasonable cost.

Applicable Statute, Code, Policy, Rule or Regulation

NRS 354.624

Financial Information

Is there a fiscal impact? Yes

If yes, account name/number: See attached Audit Fees Worksheet.

Is it currently budgeted? Yes

Explanation of Fiscal Impact: Audit Fees are budgeted annually by the City.

Alternatives

Do not approve the contract and reopen the SOQ process and/or provide alternative direction to staff.

Attachments:

[Audit Fees Worksheet.pdf](#)

[20300264 Draft Contract.pdf](#)

[HintonBurdick_SOQ.pdf](#)

Board Action Taken:

Motion: _____	1) _____	Aye/Nay
	2) _____	_____

(Vote Recorded By)

Audit Fees Worksheet - Hinton Burdick 2021 Audit (2022 Budget)

	Audit Fees Account	Amount
General Fund: Finance Dept.	1010701-500312	\$ 44,914.50
General Fund: Landfill	1013904-500312	3,888.00
Ambulance Fund	5012525-500312	2,430.00
Stormwater Utility Fund	5053702-500312	708.75
Wastewater Utility Fund	5103201-500312	20,250.00
Water Utility Fund	5203502-500312	20,250.00
Building Permits Fund	5251414-500312	1,620.00
Cemetery Fund	5305067-500312	708.75
Fleet Fund	5603025-500312	1,620.00
Group Insurance Fund	5700706-500312	1,620.00
Workers Compensation Fund	5800704-500312	1,620.00
Insurance Fund	5900745-500312	1,620.00
		\$ 101,250.00
	Bid includes 2 Programs	\$ 98,250.00
	Add two more to be safe	3,000.00
		\$ 101,250.00

PROFESSIONAL SERVICES CONSULTANT AGREEMENT

Contract No. 20300264

Title: External Audit Services

THIS CONTRACT is made and entered into this 18th day of March 2021, by and between Carson City, a consolidated municipality, a political subdivision of the State of Nevada, hereinafter referred to as “**CITY**”, and HintonBurdick,CPAs & Advisors, hereinafter referred to as “**CONSULTANT**”.

WITNESSETH:

WHEREAS, the Purchasing and Contracts Manager for **CITY** is authorized pursuant to Nevada Revised Statutes (hereinafter referred to as “NRS”) 332 and Carson City Purchasing Resolution #1990-R71, to approve and accept this Contract as set forth in and by the following provisions; and

WHEREAS, this Contract (does involve___) (does not involve _X_) a “public work” construction project, which pursuant to NRS 338.010(18) means any project for the new construction, repair or reconstruction of an applicable project financed in whole or in part from public money; and

WHEREAS, CONSULTANT’S compensation under this agreement (does __) (does not _X_) utilize in whole or in part money derived from one or more federal grant funding source(s); and

WHEREAS, it is deemed necessary that the services of **CONSULTANT** for **CONTRACT No. 20300264** (hereinafter referred to as “Contract”) are both necessary and in the best interest of **CITY**; and

NOW, THEREFORE, in consideration of the aforesaid premises, and the following terms, conditions and other valuable consideration, the parties mutually agree as follows:

1. REQUIRED APPROVAL:

This Contract shall not become effective until and unless approved by the Carson City Board of Supervisors.

2. SCOPE OF WORK (Incorporated Contract Documents):

2.1 **CONSULTANT** shall provide and perform the following services set forth in **Exhibit A**, which shall all be attached hereto and incorporated herein by reference for and on behalf of **CITY** and hereinafter referred to as the “SERVICES”.

2.2 **CONSULTANT** represents that it is duly licensed by **CITY** for the purposes of performing the SERVICES.

2.3 **CONSULTANT** represents that it is duly qualified and licensed in the State of Nevada for the purposes of performing the SERVICES.

For P&C Use Only
CCBL expires _____
GL expires _____
AL expires _____
PL expires _____
WC expires _____

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2.4 **CONSULTANT** represents that it and/or the persons it may employ possess all skills and training necessary to perform the SERVICES described herein and required hereunder. **CONSULTANT** shall perform the SERVICES faithfully, diligently, in a timely and professional manner, to the best of its ability, and in such a manner as is customarily performed by a person who is in the business of providing such services in similar circumstances. **CONSULTANT** shall be responsible for the professional quality and technical accuracy of all SERVICES furnished by **CONSULTANT** to **CITY**.

2.5 **CONSULTANT** represents that neither the execution of this Contract nor the rendering of services by **CONSULTANT** hereunder will violate the provisions of or constitute a default under any other contract or agreement to which **CONSULTANT** is a party or by which **CONSULTANT** is bound, or which would preclude **CONSULTANT** from performing the SERVICES required of **CONSULTANT** hereunder, or which would impose any liability or obligation upon **CITY** for accepting such SERVICES.

2.6 Before commencing with the performance of any work under this Contract, **CONSULTANT** shall obtain all necessary permits and licenses as may be necessary. Before and during the progress of work under this Contract, **CONSULTANT** shall give all notice and comply with all the laws, ordinances, rules and regulations of every kind and nature now or hereafter in effect promulgated by any Federal, State, County, or other Governmental Authority, relating to the performance of work under this Contract. If **CONSULTANT** performs any work that is contrary to any such law, ordinance, rule or regulation, it shall bear all the costs arising therefrom.

2.7 Special Terms and Conditions for Engineers, Architects, and Land Surveying/Testing:
(OMITTED)

2.8 CITY Responsibilities:

2.8.1 **CITY** shall make available to **CONSULTANT** all technical data that is in **CITY'S** possession, reasonably required by **CONSULTANT** relating to the SERVICES.

2.8.2 **CITY** shall provide access to and make all provisions for **CONSULTANT** to enter upon public and private lands, to the fullest extent permitted by law, as reasonably required for **CONSULTANT** to perform the SERVICES.

2.8.3 **CITY** shall examine all reports, correspondence, and other documents presented by **CONSULTANT** upon request of **CITY**, and render, in writing, decisions pertaining thereto within a reasonable time so as not to delay the work of **CONSULTANT**.

2.8.4 It is expressly understood and agreed that all work done by **CONSULTANT** shall be subject to inspection and acceptance by **CITY** and approval of SERVICES shall not forfeit the right of **CITY** to require correction, and nothing contained herein shall relieve **CONSULTANT** of the responsibility of the SERVICES required under the terms of this Contract until all SERVICES have been completed and accepted by **CITY**.

3. CONTRACT TERM:

3.1 The term of this Contract begins on April 1, 2021, subject to Carson City Board of Supervisors' approval (anticipated to be March 18, 2021) and ends on March 31, 2024, with the option of two (2) one-year extensions, unless sooner terminated by either party as specified in **Section 7** (CONTRACT TERMINATION).

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4. NOTICE:

4.1 Except any applicable bid and award process where notices may be limited to postings by **CITY** on its Bid Opportunities website (www.carson.org), all notices or other communications required or permitted to be given under this Contract shall be in writing and shall be deemed to have been duly given if delivered personally in hand, by e-mail, by regular mail, by telephonic facsimile with simultaneous regular mail, or by certified mail, return receipt requested, postage prepaid on the date posted, and addressed to the other party at the address specified below.

4.2 Notice to **CONSULTANT** shall be addressed to:

Michael K. Spilker, CPA, Audit Partner
HintonBurdick CPAs & Advisors
590 West Mesquite Blvd., Suite 201
Mesquite, NV 89027
888-566-1277 Ext. 224
email: MSpilker@hintonburdick.com

4.3 Notice to **CITY** shall be addressed to:

Carson City Purchasing and Contracts Department
Carol Akers, Purchasing and Contracts Administrator
201 North Carson Street, Suite 2
Carson City, NV 89701
775-283-7362 / FAX 775-887-2286
CAkers@carson.org

5. COMPENSATION:

5.1 The parties agree that **CONSULTANT** will provide the SERVICES specified in **Section 2** (SCOPE OF WORK) and **CITY** agrees to pay **CONSULTANT** the Contract's compensation based upon the Scope of Work Fee Schedule for a not to exceed maximum amount of \$\$287,750, and an annual contingency up to \$3,000 (if needed for auditing additional funding programs). This will be paid annually as: \$98,250.00 in year 1, (April 1, 2021-March 31, 2022); \$93,250 in year 2 (April 1, 2022-March 31, 2023) and \$96,250 for year 3 (April 1, 2023-March 31, 2024), and hereinafter referred to as "Contract Sum".

5.2 Contract Sum represents full and adequate compensation for the completed SERVICES, and includes the furnishing of all materials; all labor, equipment, tools, and appliances; and all expenses, direct or indirect, connected with the proper execution of the SERVICES.

5.3 Payment by **CITY** for the SERVICES rendered by **CONSULTANT** shall be due within thirty (30) calendar days from the date **CITY** acknowledges that the performance meets the requirements of this Contract or from the date the correct, complete, and descriptive invoice is received by **CITY** employee designated on the sample invoice, whichever is the later date.

5.4 **CITY** does not agree to reimburse **CONSULTANT** for expenses unless otherwise specified.

6. TIMELINESS OF BILLING SUBMISSION:

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6.1 The parties agree that timeliness of billing is of the essence to this Contract and recognize that **CITY** is on a fiscal year which is defined as the period beginning July 1 and ending June 30 of the following year. All billings for dates of service prior to July 1 must be submitted to **CITY** no later than the first Friday in August of the same year. A billing submitted after the first Friday in August will subject **CONSULTANT** to an administrative fee not to exceed \$100.00. The parties hereby agree this is a reasonable estimate of the additional costs to **CITY** of processing the billing as a stale claim and that this amount will be deducted from the stale claim payment due to **CONSULTANT**.

7. CONTRACT TERMINATION:

7.1 Termination Without Cause:

7.1.1 Any discretionary or vested right of renewal notwithstanding, this Contract may be terminated upon written notice by mutual consent of both parties or unilaterally by either party without cause.

7.1.2 **CITY** reserves the right to terminate this Contract for convenience whenever it considers termination, in its sole and unfettered discretion, to be in the public interest. In the event that the Contract is terminated in this manner, payment will be made for SERVICES actually completed. If termination occurs under this provision, in no event shall **CONSULTANT** be entitled to anticipated profits on items of SERVICES not performed as of the effective date of the termination or compensation for any other item, including but not limited to, unabsorbed overhead. **CONSULTANT** shall require that all subcontracts which it enters related to this Contract likewise contain a termination for convenience clause which precludes the ability of any subcontractant to make claims against **CONSULTANT** for damages due to breach of contract, of lost profit on items of SERVICES not performed or of unabsorbed overhead, in the event of a convenience termination.

7.2 Termination for Nonappropriation:

7.2.1 All payments and SERVICES provided under this Contract are contingent upon the availability of the necessary public funding, which may include various internal and external sources. In the event that Carson City does not acquire and appropriate the funding necessary to perform in accordance with the terms of the Contract, the Contract shall automatically terminate upon **CITY'S** notice to **CONSULTANT** of such nonappropriation, and no claim or cause of action may be based upon any such nonappropriation.

7.3 Cause Termination for Default or Breach:

7.3.1 A default or breach may be declared with or without termination.

7.3.2 This Contract may be terminated by either party upon written notice of default or breach to the other party as follows:

7.3.2.1 If **CONSULTANT** fails to provide or satisfactorily perform any of the conditions, work, deliverables, goods, or any SERVICES called for by this Contract within the time requirements specified in this Contract or within any granted extension of those time requirements; or

7.3.2.2 If any state, county, city or federal license, authorization, waiver, permit, qualification or certification required by statute, ordinance, law, or regulation to be held by **CONSULTANT** to provide the goods or SERVICES or any services required by this

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Contract is for any reason denied, revoked, debarred, excluded, terminated, suspended, lapsed, or not renewed; or

7.3.2.3 If **CONSULTANT** becomes insolvent, subject to receivership, or becomes voluntarily or involuntarily subject to the jurisdiction of the bankruptcy court; or

7.3.2.4 If **CITY** materially breaches any material duty under this Contract and any such breach impairs **CONSULTANT'S** ability to perform; or

7.3.2.5 If it is found by **CITY** that any quid pro quo or gratuities in the form of money, services, entertainment, gifts, or otherwise were offered or given by **CONSULTANT**, or any agent or representative of **CONSULTANT**, to any officer or employee of **CITY** with a view toward securing a contract or securing favorable treatment with respect to awarding, extending, amending, or making any determination with respect to the performing of such contract; or

7.3.2.6 If it is found by **CITY** that **CONSULTANT** has failed to disclose any material conflict of interest relative to the performance of this Contract.

7.4 Time to Correct (Declared Default or Breach):

7.4.1 Termination upon a declared default or breach may be exercised only after providing 7 (seven) calendar days written notice of default or breach, and the subsequent failure of the defaulting or breaching party, within five (5) calendar days of providing that default or breach notice, to provide evidence satisfactory to the aggrieved party demonstrating that the declared default or breach has been corrected. Time to correct shall run concurrently with any notice of default or breach and such time to correct is not subject to any stay with respect to the nonexistence of any Notice of Termination. Untimely correction shall not void the right to termination otherwise properly noticed unless waiver of the noticed default or breach is expressly provided in writing by the aggrieved party. There shall be no time to correct with respect to any notice of termination without cause or termination for nonappropriation.

7.5 Winding Up Affairs Upon Termination:

7.5.1 In the event of termination of this Contract for any reason, the parties agree that the provisions of this **Subsection 7.5** (Winding Up Affairs Upon Termination) survive termination:

7.5.1.1 The parties shall account for and properly present to each other all claims for fees and expenses and pay those which are undisputed and otherwise not subject to set off under this Contract. Neither party may withhold performance of winding up provisions solely based on nonpayment of fees or expenses accrued up to the time of termination; and

7.5.1.2 **CONSULTANT** shall satisfactorily complete SERVICES in progress at the agreed rate (or a pro rata basis if necessary) if so requested by **CITY**; and

7.5.1.3 **CONSULTANT** shall execute any documents and take any actions necessary to effectuate an assignment of this Contract if so requested by **CITY**; and

7.5.1.4 **CONSULTANT** shall preserve, protect, and promptly deliver into **CITY** possession all proprietary information in accordance **Section 19** (CITY OWNERSHIP OF PROPRIETARY INFORMATION).

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7.6 Notice of Termination:

7.6.1 Unless otherwise specified in this Contract, termination shall not be effective until seven (7) calendar days after a party has provided written notice of default or breach, or notice of without cause termination. Notice of Termination may be given at the time of notice of default or breach, or notice of without cause termination. Notice of Termination may be provided separately at any time after the running of the 7-day notice period, and such termination shall be effective on the date the Notice of Termination is provided to the party unless a specific effective date is otherwise set forth therein. Any delay in providing a Notice of Termination after the 7-day notice period has run without a timely correction by the defaulting or breaching party shall not constitute any waiver of the right to terminate under the existing notice(s).

8. REMEDIES:

Except as otherwise provided for by law or this Contract, the rights and remedies of the parties shall not be exclusive and are in addition to any other rights and remedies provided by law or equity, including, without limitation, actual damages, and to a prevailing party reasonable attorney's fees and costs. The parties agree that, in the event a lawsuit is filed and a party is awarded attorney's fees by the court, for any reason, the amount of recoverable attorney's fees shall not exceed the rate of \$125 per hour. **CITY** may set off consideration against any unpaid obligation of **CONSULTANT** to **CITY**.

9. LIMITED LIABILITY:

CITY will not waive and intends to assert available NRS Chapter 41 liability limitations in all cases. Contract liability of both parties shall not be subject to punitive damages. Liquidated damages shall not apply unless otherwise expressly provided for elsewhere in this Contract. Damages for any **CITY** breach shall never exceed the amount of funds appropriated for payment under this Contract, but not yet paid to **CONSULTANT**, for the fiscal year budget in existence at the time of the breach. **CONSULTANT'S** tort liability shall not be limited.

10. FORCE MAJEURE:

Neither party shall be deemed to be in violation of this Contract if it is prevented from performing any of its obligations hereunder due to strikes, failure of public transportation, civil or military authority, act of public enemy, accidents, fires, explosions, or acts of God, including, without limitation, earthquakes, floods, winds, or storms. In such an event the intervening cause must not be through the fault of the party asserting such an excuse, and the excused party is obligated to promptly perform in accordance with the terms of this Contract after the intervening cause ceases.

11. INDEMNIFICATION:

11.1 To the extent permitted by law, including, but not limited to, the provisions of NRS Chapter 41, each party shall indemnify, hold harmless and defend, not excluding the other's right to participate, the other party from and against all liability, claims, actions, damages, losses, and expenses, including but not limited to reasonable attorney's fees and costs, arising out of any alleged negligent or willful acts or omissions of the indemnifying party, its officers, employees and agents. Such obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of the indemnity which would otherwise exist as to any party or person described in this Section.

11.2 As required by NRS 338.155, if this Contract involves a "public work" construction project as defined above, **CONSULTANT** shall defend, indemnify and hold harmless the **CITY**, and the employees, officers and agents of the public body from any liabilities, damages, losses, claims, actions or proceedings, including without limitation, reasonable attorney's fees, to the extent that such liabilities, damages, losses, claims, actions or proceedings are caused by the negligence, errors, omissions, recklessness or intentional misconduct of the **CONSULTANT** or the employees or agents of the **CONSULTANT** in the performance of the Contract. Such obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of the indemnity which would otherwise exist as

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to any party or person described in this section. However, with respect to any anticipated benefits to **CITY** resulting from the Scope of Work, **CONSULTANT** shall not be responsible or liable to **CITY** for any warranties, guarantees, fitness for a particular purpose or loss of anticipated profits resulting from any termination of this Contract. Additionally, **CONSULTANT** shall not be responsible for acts and decisions of third parties, including governmental agencies, other than **CONSULTANT'S** subcontractors, that impact project completion and/or success.

11.3 Except as otherwise provided in Subsection 11.5 below, the indemnifying party shall not be obligated to provide a legal defense to the indemnified party, nor reimburse the indemnified party for the same, for any period occurring before the indemnified party provides written notice of the pending claim(s) or cause(s) of action to the indemnifying party, along with:

11.3.1 a written request for a legal defense for such pending claim(s) or cause(s) of action; and

11.3.2 a detailed explanation of the basis upon which the indemnified party believes that the claim or cause of action asserted against the indemnified party implicates the culpable conduct of the indemnifying party, its officers, employees, and/or agents.

11.4 After the indemnifying party has begun to provide a legal defense for the indemnified party, the indemnifying party shall not be obligated to fund or reimburse any fees or costs provided by any additional counsel for the indemnified party, including counsel through which the indemnified party might voluntarily choose to participate in its defense of the same matter.

11.5 After the indemnifying party has begun to provide a legal defense for the indemnified party, the indemnifying party shall be obligated to reimburse the reasonable attorney's fees and costs incurred by the indemnified party during the initial thirty (30) day period of the claim or cause of action, if any, incurred by separate counsel.

12. INDEPENDENT CONTRACTOR:

12.1 **CONSULTANT**, as an independent contractor, is a natural person, firm or corporation who agrees to perform SERVICES for a fixed price according to his or its own methods and without subjection to the supervision or control of the **CITY**, except as to the results of the SERVICES, and not as to the means by which the SERVICES are accomplished.

12.2 It is mutually agreed that **CONSULTANT** is associated with **CITY** only for the purposes and to the extent specified in this Contract, and in respect to performance of the contracted SERVICES pursuant to this Contract. **CONSULTANT** is and shall be an independent contractor and, subject only to the terms of this Contract, shall have the sole right to supervise, manage, operate, control, and direct performance of the details incident to its duties under this Contract.

12.3 Nothing contained in this Contract shall be deemed or construed to create a partnership or joint venture, to create relationships of an employer-employee or principal-agent, or to otherwise create any liability for **CITY** whatsoever with respect to the indebtedness, liabilities, and obligations of **CONSULTANT** or any other party.

12.4 **CONSULTANT**, in addition to Section 11 (INDEMNIFICATION), shall indemnify and hold **CITY** harmless from, and defend **CITY** against, any and all losses, damages, claims, costs, penalties, liabilities, expenses arising out of or incurred in any way because of, but not limited to, **CONSULTANT'S** obligations or legal duties regarding any taxes, fees, assessments, benefits, entitlements, notice of benefits, employee's eligibility to work, to any third party, subcontractor, employee, state, local or federal governmental entity.

12.5 Neither **CONSULTANT** nor its employees, agents, or representatives shall be considered employees, agents, or representatives of **CITY**.

13. INSURANCE REQUIREMENTS (GENERAL):

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13.1 NOTICE: The following general insurance requirements shall apply unless these general requirements are altered by any specific requirements set forth in CITY'S solicitation for bid document, the adopted bid or other document incorporated into this Contract by the parties.

13.2 **CONSULTANT**, as an independent contractor and not an employee of **CITY**, must carry policies of insurance in amounts specified and pay all taxes and fees incident hereunto. **CITY** shall have no liability except as specifically provided in this Contract.

13.3 **CONSULTANT** shall not commence work before: (1) **CONSULTANT** has provided the required evidence of insurance to **CITY** Purchasing and Contracts, and (2) **CITY** has approved the insurance policies provided by **CONSULTANT**.

13.4 Prior approval of the insurance policies by **CITY** shall be a condition precedent to any payment of consideration under this Contract and **CITY'S** approval of any changes to insurance coverage during the course of performance shall constitute an ongoing condition subsequent this Contract. Any failure of **CITY** to timely approve shall not constitute a waiver of the condition.

13.5 *Insurance Coverage (13.6 through 13.23):*

13.6 **CONSULTANT** shall, at **CONSULTANT'S** sole expense, procure, maintain and keep in force for the duration of this Contract the following insurance conforming to the minimum requirements specified below. Unless specifically specified herein or otherwise agreed to by **CITY**, the required insurance shall be in effect prior to the commencement of work by **CONSULTANT** and shall continue in force as appropriate until the later of:

13.6.1 Final acceptance by **CITY** of the completion of this Contract; or

13.6.2 Such time as the insurance is no longer required by **CITY** under the terms of this Contract.

13.6.3 Any insurance or self-insurance available to **CITY** under its coverage(s) shall be in excess of and non-contributing with any insurance required from **CONSULTANT**. **CONSULTANT'S** insurance policies shall apply on a primary basis. Until such time as the insurance is no longer required by **CITY**, **CONSULTANT** shall provide **CITY** with renewal or replacement evidence of insurance no less than thirty (30) calendar days before the expiration or replacement of the required insurance. If at any time during the period when insurance is required by this Contract, an insurer or surety shall fail to comply with the requirements of this Contract, as soon as **CONSULTANT** has knowledge of any such failure, **CONSULTANT** shall immediately notify **CITY** and immediately replace such insurance or bond with an insurer meeting the requirements.

13.7 *General Insurance Requirements (13.8 through 13.23):*

13.8 **Certificate Holder:** Each liability insurance policy shall list Carson City c/o Carson City Purchasing and Contracts, 201 N. Carson Street, Suite 2, Carson City, NV 89701 as a certificate holder.

13.9 **Additional Insured:** By endorsement to the general liability insurance policy evidenced by **CONSULTANT**, The City and County of Carson City, Nevada, its officers, employees and immune contractors shall be named as additional insureds for all liability arising from this Contract.

13.10 **Waiver of Subrogation:** Each liability insurance policy shall provide for a waiver of subrogation as to additional insured, unless:

13.10.1 **CONSULTANT** maintains an additional \$5,000,000.00 umbrella policy in lieu of the Waiver of Subrogation Clause.

13.11 **Cross-Liability:** All required liability policies shall provide cross-liability coverage as would be achieved under the standard ISO separation of insureds clause.

13.12 **Deductibles and Self-Insured Retentions:** Insurance maintained by **CONSULTANT** shall apply

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on a first dollar basis without application of a deductible or self-insured retention unless otherwise specifically agreed to by **CITY**. Such approval shall not relieve **CONSULTANT** from the obligation to pay any deductible or self-insured retention. Any deductible or self-insured retention shall not exceed \$50,000.00 per occurrence, unless otherwise approved by **CITY**.

13.13 **Policy Cancellation:** Except for ten (10) calendar days' notice for non-payment of premium, each insurance policy shall be endorsed to state that; without thirty (30) calendar days prior written notice to Carson City Purchasing and Contracts, the policy shall not be canceled, non-renewed or coverage and /or limits reduced or materially altered, and shall provide that notices required by this paragraph shall be sent by mail to Carson City Purchasing and Contracts, 201 N. Carson Street, Suite 2, Carson City, NV 89701.

13.14 **Approved Insurer:** Each insurance policy shall be issued by insurance companies authorized to do business in the State of Nevada or eligible surplus lines insurers acceptable to the State and having agents in Nevada upon whom service of process may be made, and currently rated by A.M. Best as "A-VII" or better.

13.15 **Evidence of Insurance:** Prior to commencement of work, **CONSULTANT** must provide the following documents to Carson City Purchasing and Contracts, 201 North Carson Street, Suite 2, Carson City, NV 89701:

13.16 **Certificate of Insurance:** The Acord 25 Certificate of Insurance form or a form substantially similar must be submitted to Carson City Purchasing and Contracts to evidence the insurance policies and coverages required of **CONSULTANT**.

13.17 **Additional Insured Endorsement:** An Additional Insured Endorsement (CG20 10 or C20 26), signed by an authorized insurance company representative, must be submitted to Carson City Purchasing and Contracts to evidence the endorsement of **CITY** as an additional insured per **Subsection 13.9** (Additional Insured).

13.18 **Schedule of Underlying Insurance Policies:** If Umbrella or Excess policy is evidenced to comply with minimum limits, a copy of the Underlying Schedule from the Umbrella or Excess insurance policy may be required.

13.19 **Review and Approval:** Documents specified above must be submitted for review and approval by **CITY** Purchasing and Contracts prior to the commencement of work by **CONSULTANT**. Neither approval by **CITY** nor failure to disapprove the insurance furnished by **CONSULTANT** shall relieve **CONSULTANT** of **CONSULTANT'S** full responsibility to provide the insurance required by this Contract. Compliance with the insurance requirements of this Contract shall not limit the liability of **CONSULTANT** or its subcontractors, employees or agents to **CITY** or others, and shall be in addition to and not in lieu of any other remedy available to **CITY** under this Contract or otherwise. **CITY** reserves the right to request and review a copy of any required insurance policy or endorsement to assure compliance with these requirements.

13.20 **COMMERCIAL GENERAL LIABILITY INSURANCE:**

13.20.1 *Minimum Limits required:*

13.20.2 Two Million Dollars (\$2,000,000.00) - General Aggregate.

13.20.3 Two Million Dollars (\$2,000,000.00) - Products & Completed Operations Aggregate.

13.20.4 One Million Dollars (\$1,000,000.00) - Each Occurrence.

13.20.5 Coverage shall be on an occurrence basis and shall be at least as broad as ISO 1996 form CG 00 01 (or a substitute form providing equivalent coverage); and shall cover liability arising from premises, operations, independent contractors, completed operations, personal injury, products, civil lawsuits, Title VII actions and liability assumed under an insured contract

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(including the tort liability of another assumed in a business contract).

13.21 BUSINESS AUTOMOBILE LIABILITY INSURANCE:

13.21.1 *Minimum Limit required:*

13.21.2 One Million Dollars (\$1,000,000.00) per occurrence for bodily injury and property damage.

13.21.3 Coverage shall be for "any auto", including owned, non-owned and hired vehicles. The policy shall be written on ISO form CA 00 01 or a substitute providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage.

13.22 PROFESSIONAL LIABILITY INSURANCE (Architects, Engineers and Land Surveyors)

13.22.1 *Minimum Limit required:*

13.22.2 One Million Dollars (\$1,000,000.00).

13.22.3 Retroactive date: Prior to commencement of the performance of this Contract.

13.22.4 Discovery period: Three (3) years after termination date of this Contract.

13.22.5 A certified copy of this policy may be required.

13.23 WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY INSURANCE:

13.23.1 **CONSULTANT** shall provide workers' compensation insurance as required by NRS Chapters 616A through 616D inclusive and Employer's Liability insurance with a minimum limit of \$500,000.00 each employee per accident for bodily injury by accident or disease.

13.23.2 **CONSULTANT** may, in lieu of furnishing a certificate of an insurer, provide an affidavit indicating that **CONSULTANT** is a sole proprietor; that **CONSULTANT** will not use the services of any employees in the performance of this Contract; that **CONSULTANT** has elected to not be included in the terms, conditions, and provisions of NRS Chapters 616A-616D, inclusive; and that **CONSULTANT** is otherwise in compliance with the terms, conditions, and provisions of NRS Chapters 616A-616D, inclusive.

14. BUSINESS LICENSE:

14.1 **CONSULTANT** shall not commence work before **CONSULTANT** has provided a copy of his Carson City business license to Carson City Purchasing and Contracts.

14.2 The Carson City business license shall continue in force until the later of: (1) final acceptance by **CITY** of the completion of this Contract; or (2) such time as the Carson City business license is no longer required by **CITY** under the terms of this Contract.

15. COMPLIANCE WITH LEGAL OBLIGATIONS:

CONSULTANT shall procure and maintain for the duration of this Contract any state, county, city, or federal license, authorization, waiver, permit, qualification or certification required by statute, ordinance, law, or regulation to be held by **CONSULTANT** to provide the goods or SERVICES or any services of this Contract. **CONSULTANT** will be responsible to pay all government obligations, including, but not limited to, all taxes, assessments, fees, fines, judgments, premiums, permits, and licenses required or imposed by law or a court. Real property and personal property taxes are the responsibility of **CONSULTANT** in accordance with NRS Chapter 361 generally and NRS 361.157 and 361.159, specifically regarding for profit activity. **CONSULTANT** agrees to be responsible for payment of any such government obligations not paid by its subcontractors during performance of this Contract. **CITY** may set-off against consideration due any delinquent government obligation.

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If the CITY was required by NRS 332.039(1) to advertise or request a proposal for this Agreement, by signing this Agreement, the **CONSULTANT** provides a written certification that the **CONSULTANT** is not currently engaged in, and during the Term shall not engage in, a Boycott of Israel. The term "Boycott of Israel" has the meaning ascribed to that term in Section 3 of Nevada Senate Bill 26 (2017). The **CONSULTANT** shall be responsible for fines, penalties, and payment of any State of Nevada or federal funds that may arise (including those that the CITY pays, becomes liable to pay, or becomes liable to repay) as a direct result of the **CONSULTANT's** non-compliance with this Section.

16. WAIVER OF BREACH:

Failure to declare a breach or the actual waiver of any particular breach of this Contract or its material or nonmaterial terms by either party shall not operate as a waiver by such party of any of its rights or remedies as to any other breach.

17. SEVERABILITY:

If any provision contained in this Contract is held to be unenforceable by a court of law or equity, this Contract shall be construed as if such provision did not exist and the nonenforceability of such provision shall not be held to render any other provision or provisions of this Contract unenforceable.

18. ASSIGNMENT / DELEGATION:

To the extent that any assignment of any right under this Contract changes the duty of either party, increases the burden or risk involved, impairs the chances of obtaining the performance of this Contract, attempts to operate as a novation, or includes a waiver or abrogation of any defense to payment by **CITY**, such offending portion of the assignment shall be void, and shall be a breach of this Contract. **CONSULTANT** shall neither assign, transfer nor delegate any rights, obligations or duties under this Contract without the prior written approval of **CITY**. The parties do not intend to benefit any third-party beneficiary regarding their respective performance under this Contract.

19. CITY OWNERSHIP OF PROPRIETARY INFORMATION:

Any files, reports, histories, studies, tests, manuals, instructions, photographs, negatives, blue prints, plans, maps, data, system designs, computer programs, computer codes, and computer records (which are intended to be consideration under this Contract), or any other documents or drawings, prepared or in the course of preparation by **CONSULTANT** (or its subcontractors) in performance of its obligations under this Contract shall be the exclusive property of **CITY** and all such materials shall be delivered into **CITY** possession by **CONSULTANT** upon completion, termination, or cancellation of this Contract. **CONSULTANT** shall not use, willingly allow, or cause to have such materials used for any purpose other than performance of **CONSULTANT'S** obligations under this Contract without the prior written consent of **CITY**. Notwithstanding the foregoing, **CITY** shall have no proprietary interest in any materials licensed for use by **CITY** that are subject to patent, trademark or copyright protection.

20. PUBLIC RECORDS:

Pursuant to NRS 239.010, information or documents received from **CONSULTANT** may be open to public inspection and copying. **CITY** will have the duty to disclose unless a particular record is made confidential by law or a common law balancing of interests. **CONSULTANT** may clearly label specific parts of an individual document as a "trade secret" or "confidential" in accordance with NRS 332.061, provided that **CONSULTANT** thereby agrees to indemnify and defend **CITY** for honoring such a designation. The failure to so label any document that is released by **CITY** shall constitute a complete waiver of any and all claims for damages caused by any release of the records.

21. CONFIDENTIALITY:

CONSULTANT shall keep confidential all information, in whatever form, produced, prepared, observed or received by **CONSULTANT** to the extent that such information is confidential by law or otherwise required by this Contract.

PROFESSIONAL SERVICES CONSULTANT AGREEMENT

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22. FEDERAL FUNDING:

22.1 *In the event federal grant funds are used for payment of all or part of this Contract:*

22.1.1 **CONSULTANT** certifies, by signing this Contract, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency. This certification is made pursuant to the regulations implementing Executive Order 12549, Debarment and Suspension, 28 C.F.R. pt. 67, § 67.510, as published as pt. VII of the May 26, 1988, Federal Register (pp. 19160-19211), and any relevant program-specific regulations. This provision shall be required of every subcontractor receiving any payment in whole or in part from federal funds.

22.1.2 **CONSULTANT** and its subcontractors must be registered in the US Government System for Award Management (SAM) for verification on projects with federal funding.

22.1.3 **CONSULTANT** and its subcontractors shall comply with all terms, conditions, and requirements of the Americans with Disabilities Act of 1990 (P.L. 101-136), 42 U.S.C. 12101, as amended, and regulations adopted thereunder contained in 28 C.F.R. 26.101-36.999, inclusive, and any relevant program-specific regulations.

22.1.4 **CONSULTANT** and its subcontractors shall comply with the requirements of the Civil Rights Act of 1964, as amended, the Rehabilitation Act of 1973, P.L. 93-112, as amended, and any relevant program-specific regulations, and Executive Order 11478 (July 21, 2014) and shall not discriminate against any employee or offeror for employment because of race, national origin, creed, color, sex, sexual orientation, gender identity, religion, age, disability or handicap condition (including AIDS and AIDS-related conditions).

22.1.5 If and when applicable to the particular federal funding and the Scope of Work under this Contract, **CONSULTANT** and its subcontractors shall comply with: American Iron and Steel (AIS) provisions of P.L. 113- 76, Consolidated Appropriations Act, 2014, Section 1605 – Buy American (100% Domestic Content of iron, steel and manufactured goods); Federal Highway Administration (FHWA) 23 U.S.C. § 313 – Buy America, 23 C.F.R. § 635.410 (100% Domestic Content of steel, iron and manufactured products); Federal Transit Administration (FTA) 49 U.S.C. § 5323(j), 49 C.F.R. Part 661 – Buy America Requirements (See 60% Domestic Content for buses and other Rolling Stock).

23. LOBBYING:

23.1 The parties agree, whether expressly prohibited by federal law, or otherwise, that no funding associated with this Contract will be used for any purpose associated with or related to lobbying or influencing or attempting to lobby or influence for any purpose the following:

23.1.1 Any federal, state, county or local agency, legislature, commission, council or board;

23.1.2 Any federal, state, county or local legislator, commission member, council member, board member, or other elected official; or

23.1.3 Any officer or employee of any federal, state, county or local agency; legislature, commission, council or board.

24. GENERAL WARRANTY:

CONSULTANT warrants that it will perform all SERVICES required hereunder in accordance with the prevailing standard of care by exercising the skill and care normally required of individuals performing the same or similar

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SERVICES, under the same or similar circumstances, in the State of Nevada.

25. PROPER AUTHORITY:

The parties hereto represent and warrant that the person executing this Contract on behalf of each party has full power and authority to enter into this Contract. **CONSULTANT** acknowledges that this Contract is effective only after approval by the Carson City Board of Supervisors and only for the period of time specified in this Contract. Any SERVICES performed by **CONSULTANT** before this Contract is effective or after it ceases to be effective is performed at the sole risk of **CONSULTANT**.

26. ALTERNATIVE DISPUTE RESOLUTION (Public Work):

If the SERVICES under this Contract involve a "public work" as defined under NRS 338.010(18), then pursuant to NRS 338.150, a public body charged with the drafting of specifications for a public work shall include in the specifications a clause requiring the use of a method of alternative dispute resolution ("ADR") before initiation of a judicial action if a dispute arising between the public body and the **CONSULTANT** engaged on the public work cannot otherwise be settled. Therefore, unless ADR is otherwise provided for by the parties in any other incorporated attachment to this Contract, in the event that a dispute arising between **CITY** and **CONSULTANT** regarding that public work cannot otherwise be settled, **CITY** and **CONSULTANT** agree that, before judicial action may be initiated, **CITY** and **CONSULTANT** will submit the dispute to non-binding mediation. **CITY** shall present **CONSULTANT** with a list of three potential mediators. **CONSULTANT** shall select one person to serve as the mediator from the list of potential mediators presented by **CITY**. The person selected as mediator shall determine the rules governing the mediation.

27. GOVERNING LAW / JURISDICTION:

This Contract and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Nevada, without giving effect to any principle of conflict-of-law that would require the application of the law of any other jurisdiction. **CONSULTANT** consents and agrees to the jurisdiction of the courts of the State of Nevada located in Carson City, Nevada for enforcement of this Contract.

28. ENTIRE CONTRACT AND MODIFICATION:

This Contract and its integrated attachment(s) constitute the entire Contract of the parties and such are intended as a complete and exclusive statement of the promises, representations, negotiations, discussions, and other Contracts that may have been made in connection with the subject matter hereof. Unless an integrated attachment to this Contract specifically displays a mutual intent to amend a particular part of this Contract, general conflicts in language between any such attachment and this Contract shall be construed consistent with the terms of this Contract. Unless otherwise expressly authorized by the terms of this Contract, no modification or amendment to this Contract shall be binding upon the parties unless the same is in writing and signed by the respective parties hereto and approved by the Carson City Board of Supervisors. Conflicts in language between this Contract and any other agreement between **CITY** and **CONSULTANT** on this same matter shall be construed consistent with the terms of this Contract. The parties agree that each has had their respective counsel review this Contract which shall be construed as if it was jointly drafted.

PROFESSIONAL SERVICES CONSULTANT AGREEMENT

Contract No. 20300264

Title: External Audit Services

29. ACKNOWLEDGMENT AND EXECUTION:

This Contract may be executed in counterparts. The parties hereto have caused this Contract to be signed and intend to be legally bound thereby as follows:

CITY

Finance Department
Attn: Carol Akers, Purchasing & Contracts Administrator
Purchasing and Contracts Department
201 North Carson Street, Suite 2
Carson City, Nevada 89701
Telephone: 775-283-7362
Fax: 775-887-2286
CAkers@carson.org

CITY'S LEGAL COUNSEL

Carson City District Attorney

I have reviewed this Contract and approve as to its legal form.

By: _____
Sheri Russell, Chief Financial Officer

By: _____
Deputy District Attorney

Dated _____

Dated _____

CITY'S ORIGINATING DEPARTMENT

CONSULTANT will not be given authorization to begin work until this Contract has been signed by Purchasing and Contracts

BY: Carol Akers

Acct: 1010701-500312
Plus, various other accounts

By: _____

Dated _____

PROFESSIONAL SERVICES CONSULTANT AGREEMENT

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Undersigned deposes and says under penalty of perjury: That he/she is **CONSULTANT** or authorized agent of **CONSULTANT**; that he/she has read the foregoing Contract; and that he/she understands the terms, conditions and requirements thereof.

CONSULTANT

BY: Michael K. Spilker

TITLE: CPA

FIRM: HintonBurdick CPAs & Advisors

CARSON CITY BUSINESS LICENSE #: _____

Address: 590 West Mesquite Blvd., Suite 201

City: Mesquite **State:** NV **Zip Code:** 89027

Telephone: 888-566-1277 Ext. 224

E-mail Address: MSpilker@hintonburdick.com

(Signature of Consultant)

DATED _____

STATE OF _____)

)ss

County of _____)

Signed and sworn (or affirmed before me on this _____ day of _____, 20____.

(Signature of Notary)

(Notary Stamp)

PROFESSIONAL SERVICES CONSULTANT AGREEMENT

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CONTRACT ACCEPTANCE AND EXECUTION:

The Board of Supervisors for Carson City, Nevada at their publicly noticed meeting of March 18, 2021 approved the acceptance of the attached Contract hereinbefore identified as **CONTRACT No. 20300264**. Further, the Board of Supervisors authorizes the Mayor of Carson City, Nevada to sign this document and record the signature for the execution of this Contract in accordance with the action taken.

CARSON CITY, NEVADA

LORI BAGWELL, MAYOR

DATED this 18th day of March 2021.

ATTEST:

AUBREY ROWLATT, CLERK-RECORDER

DATED this 18th day of March 2021.

PROFESSIONAL SERVICES CONSULTANT AGREEMENT

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SAMPLE INVOICE

Invoice Number: _____

Invoice Date: _____

Invoice Period: _____

Invoice shall be submitted to:

Carson City Finance Department
Attn: Sheri Russell, email: SRussell@carson.org
201 N. Carson Street, Suite #3
Carson City NV 89701

Line Item #	Description	Unit Cost	Units Completed	Total \$\$
Total for this invoice				

Original Contract Sum	\$ _____
Less amount previously billed	\$ _____
= contract sum prior to this invoice	\$ _____
Less this invoice	\$ _____
=Dollars remaining on Contract	\$ _____

ENCLOSE COPIES OF RECEIPTS & INVOICES FOR EXPENSES & OUTSIDE SERVICES

**HINTONBURDICK**
CPAs & ADVISORS

March 4, 2021

Honorable Mayor, City Council and Management
Carson City Executive Office
201 North Carson St., Suite 2
Carson City, NV 89701

We are pleased to confirm our understanding of the services we are to provide Carson City, Nevada for the years ended June 30, 2021, June 30, 2022, and June 30, 2023. 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, including the related notes to the financial statements, which collectively comprise the basic financial statements, of Carson City, Nevada as of and for the years ended June 30, 2021, June 30, 2022, and June 30, 2023. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Carson City, Nevada's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Carson City, Nevada's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. 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) GASB Pension Schedules

We have also been engaged to report on supplementary information other than RSI that accompanies Carson City, Nevada's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a separate written report accompanying our auditor's report on the financial statements or in a report combined with our auditor's report on the financial statement:

- 1) Schedule of Expenditures of Federal Awards
- 2) Combining Statements
- 3) Individual Fund Budgetary Comparison Schedules

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information.

- 1) Introductory Section
- 2) Letter of Transmittal
- 3) Statistical Information
- 4) Schedule of Fees Imposed Subject to Provisions of NRS 345.5989

Our responsibility for other information included in documents containing the entity's audited financial statements and auditor's report, if applicable, does not extend beyond the financial information identified in the report. We have no responsibility for determining whether such other information contained in these documents is properly stated.

Audit Objectives

The objective of our audit is the expression of opinions 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 supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on—

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; 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 the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to Honorable Mayor, City Council and Management of Carson City, Nevada. We cannot

provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will 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 issue reports, or we may withdraw from this engagement.

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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, 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, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. 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 on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management 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, funding sources, 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 require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government 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 the Uniform Guidance, we will perform tests of controls over compliance 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 in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. 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 AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Carson City, Nevada’s compliance with provisions of applicable laws, regulations, contracts, 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*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of Carson City, Nevada’s major programs. The purpose of these procedures will be to express an opinion on Carson City, Nevada’s compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

We will also assist in preparing proposed journal entries of Carson City, Nevada in conformity with U.S. generally accepted accounting principles and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the proposed journal entries services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal

awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management 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 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 (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 government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review by the time we begin our audit.

With regard to including the auditor's report in an exempt offering document, you agree that the aforementioned auditor's report, or reference to HintonBurdick, PLLC, will not be included in any such offering document without our prior permission or consent. Any agreement to perform work in connection with an exempt offering document, including an agreement to provide permission or consent, will be a separate engagement.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon OR make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those

used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other 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, attestation engagements, performance audits, 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, for the report, and for the timing and format for providing that information.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

You agree to assume all management responsibilities relating to our proposed journal entries, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter that you have prepared and approved the financial statements and related notes, and reviewed and approved our proposed journal entries prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all schedules we normally request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditors' reports or nine months after the end of the audit period.

We will provide copies of our reports to Carson City, Nevada; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of HintonBurdick, PLLC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the cognizant or oversight agency for the audit 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 HintonBurdick, PLLC 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 date or for any additional period requested by the cognizant agency, oversight agency for audit, or pass-through entity. 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.

We expect to begin our audit in early or mid-October of each year and to issue our reports no later than November 30 of each year. Chad B. Atkinson, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our price for these services, including out-of-pocket costs (such as report reproduction, postage, travel, copies, etc.) will not exceed \$97,375 for fiscal year end (FYE) 2021, \$92,375 for FYE 2022, and \$95,325 for FYE 2023. This estimate is based on no more than two major programs for the single audit each year. Our price for any additional major programs over the base amount of two programs included in the price above will be \$1,500 per program.

We will provide a separate engagement letter for the ADEQ Agreed-Upon Procedures report. Our price estimate for the ADEQ procedures will be \$875 for FYE 2021 and FYE 2022 and \$925 for FYE 2023.

The above pricing is based on anticipated cooperation from your personnel, timely receipt of information, 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 price estimate before we incur the additional costs.

We will schedule the engagement based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If, for whatever reason, your personnel are

unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original price estimate.

If requested or required, fees for additional accounting, consultation and any other non-audit services will be billed separately and will be dependent on the level of service provided. We will discuss the situation with you before we proceed.

Our invoices for these services will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. Interim billings may be submitted as work progresses and expenses are incurred. In the event any statement or invoice rendered by us to you is not paid within thirty (30) days of the date of the invoice, a late charge shall be accrued on the unpaid balance at the rate of 1.5 percent per month until paid. If billings are not paid within thirty (30) days of the invoice date, at our election, we may stop all work until your account is brought current or we may withdraw from this engagement. You acknowledge and agree that we are not required to continue work in the event of your failure to pay on a timely basis for services rendered as required by this engagement letter. You further acknowledge and agree that in the event we stop work or withdraw from this engagement we shall not be liable to you for any damages that occur as a result of our ceasing to render services.

Our liability as auditors shall be limited to the period covered by our audit and shall not extend to periods for which we are not engaged as auditors.

It is our policy to keep work papers related to this engagement for seven (7) years. Upon the expiration of the seven (7) year period, you agree that we shall be free to destroy our work papers. When records are returned to you, it is your responsibility to retain and protect your records for possible future uses, including potential examination by governmental or regulatory agencies.

In the event of any dispute, claim, question, or disagreement arising from or relating to this Agreement or the breach thereof, the parties hereto shall use their best efforts to settle the dispute, claim, question, or disagreement. To this effect, they shall consult and negotiate with each other in good faith and recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to both parties. If the dispute cannot be settled through direct discussions, the parties agree to endeavor first to settle the dispute in an amicable manner by mediation administered by the American Arbitration Association under its Commercial Mediation Rules before resorting to other legal remedies. If the parties are unable to resolve the dispute through mediation within sixty (60) days from the date notice is first given, then they may proceed to resolve the matter by arbitration. Such arbitration shall be binding and final. Any dispute over fees will be submitted for resolution by arbitration in accordance with the rules of the American Arbitration Association. In agreeing to arbitration both parties acknowledge that, in the event of a dispute each party is giving up the right to have the dispute decided in a court of law before a judge or jury and instead are accepting the use of arbitration for resolution. Costs of any mediation proceeding shall be shared equally by all parties. The prevailing party in the arbitration shall be entitled to an award of reasonable attorney's fees and costs incurred in connection with the application of the dispute in an amount to be determined by the arbitrator.

We appreciate the opportunity to be of service to Carson City, Nevada 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 and return it to us.

Very truly yours,



Chad B. Atkinson, CPA
HintonBurdick, PLLC

RESPONSE:

This letter correctly sets forth the understanding of Carson City, Nevada.

Management Signature (required): _____

Title: _____

Date: _____

Governance Signature (optional): _____

Title: _____

Date: _____



HINTON BURDICK
CPAs & ADVISORS ›

We are **PATHFINDERS**

Statement of Qualifications for External Audit Services

Carson City, Nevada

SOQ #20300264

PROPOSAL DATE: February 12, 2021

PREPARED BY:

Partner: Michael K. Spilker, CPA

590 West Mesquite Blvd., Suite 201

Mesquite, Nevada 89027

mspilker@hintonburdick.com

888.566.1277 Ext. 224



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PROFESSIONAL AUDITING SERVICES PROPOSAL HINTONBURDICK CPAs & ADVISORS

Introductory Cover Letter

February 12, 2020

Carson City Executive Office
Purchasing and Contracts Department
201 N. Carson Street, Suite 2
Carson City, NV 89701

It is with great pleasure that we present this Summary of Qualifications and Firm Profile for Carson City Nevada, to provide audit services for the years ended June 30, 2021, 2022, and 2023 with an option to renew for the years ended June 30, 2024 and 2025.

If selected, we will complete the audit services as detailed in the request for proposal.

We are **dedicated to providing you with prompt and effective services** that are not only responsive to, but anticipate your needs. We have included a **Value Proposition on page 2**, which provides an abbreviated list of reasons why HintonBurdick is the right fit for the City. If selected, **we will complete our audit services in a timely manner** and deliver our reports on or before deadlines stated in the request for proposal.

HintonBurdick provides services of the highest quality and value. Our assigned audit team consists of **partners and senior level staff with over 50 years of combined experience**; all of whom are highly trained and have sufficient expertise to meet or exceed your highest expectations. Our firm currently provides audit services for **more than 80 local governments**.

You will be one of our most valued and important clients and I commit to you that you will always receive top quality service at very reasonable rates. **Our specialization in governmental auditing** has allowed us to develop techniques and procedures, which are highly efficient and enable us to provide **the most effective audit services available**. I personally manage the work we do and will see that members of our team are continuously accessible and responsive to your needs.

Clients frequently tell us that the **character and personality of our staff** is one of our firm's best qualities. Because of our staff and our proactive approach to solving problems for our clients, we have become one of the largest providers of governmental audits in the areas we serve.

If you want a **personal touch and excellent service**, HintonBurdick is the right firm for you.

Very truly yours,
HintonBurdick, CPAs & Advisors

Michael K. Spilker, CPA
Audit Partner
590 West Mesquite Blvd., Suite 201
Mesquite, Nevada 89027



PROFESSIONAL AUDITING SERVICES PROPOSAL

HINTONBURDICK CPAs & ADVISORS

Value Proposition

- Services performed by a highly trained, **experienced auditing staff**. The individuals who work in our **audit department specialize in audits** and **perform more than 80 local government audits all year round** not just as “filler work” in the off – tax season. Our assigned audit team consists of **partners and senior level staff** who have over 50 years of combined experience.
- Our firm is an active member of the AICPA’s **Government Audit Quality Center (GAQC)**.
- We **perform multiple audits for Nevada local governments** similar in size to Carson City. Our experience with providing audits to local governments in **multiple states** provides us with a background and **broad range of experience**, which is **unique** to the majority of firms providing audit services to local governments.
- The **character and personality of our staff** is one of our best qualities. We frequently receive feedback from clients indicating that our staff members were wonderful to work with and exceeded their expectations. Please see our **references and recommendation letters** included.
- All of our staff that will work on your engagement receive 80 hours of audit and accounting continuing education every two years. Staff members receive training and have **experience in performing federal single audits, MAS procedures and ADEQ procedures**.
- We assist many local governments in obtaining the **GFOA Certificate of Achievement for Excellence in Financial Reporting**. One of our audit partners is currently a GFOA reviewer.
- Staff are experienced in the use of **Tyler Munis governmental accounting software**. We are **available throughout the year** for technical questions that may come up at no additional cost to the City.
- Staff size allows assignment of personnel to complete the on-site audit work in the shortest possible time to **minimize day-to-day disruptions and meet reporting deadlines**.
- We utilize a **“fund” approach** to our audit, which helps us to focus on issues related to each specific fund. This approach is **unique from most firms who provide governmental audits**.
- We audit using the **latest audit software technology**. Our **Suralink Professional Document Exchange System** used for the Prepared by Client list is a cloud based system that allows the City to monitor all exchanged documents.
- We have extensive experience **assisting and training** our clients with their financial accounting and fiscal responsibilities. We hold **educational seminars** every year that **provide training to governing boards and accounting staff** on accounting, internal control, and compliance issues.
- We provide **financial trend analysis** of your local government during our audit presentations to the City Council. Receive constructive and practical recommendations for **strengthening over-all management and internal controls** of the City.



PROFESSIONAL AUDITING SERVICES PROPOSAL HINTONBURDICK CPAs & ADVISORS

Profile of the Proposer

For **more than 40 years**, HintonBurdick has established a reputation for providing quality governmental auditing services to numerous local governments and tribal governments in Nevada, Arizona, California, Colorado, and Utah. HintonBurdick was recently listed as Utah's fifth largest Certified Public Accounting firm and is considered a regional firm. Our Cedar City, Mesquite, Gilbert, Richfield, and St. George offices employ approximately 100 associates, which includes numerous CPA's and professional staff. We will primarily service the needs of the City from our St. George and Mesquite offices, which have 11 partners, 7 managers, 1 supervising senior, 4 senior accountants, 11 staff accountants and various paraprofessional and support staff. Our governmental audit staff is comprised of 35 individuals throughout our five offices.

License to Practice in Nevada

HintonBurdick and all key professional staff assigned to the engagement are properly **licensed or registered to practice as Certified Public Accountants** in the State of Nevada.

Independence

HintonBurdick is independent of Carson City, Nevada as defined by auditing standards generally accepted in the United States and the U.S. General Accounting Office's *Government Auditing Standards*. HintonBurdick has not previously been engaged to provide professional services for your local government or any of its agencies.

Non-discrimination Clause

HintonBurdick is an equal opportunity employer and does not discriminate against any individual because of race, religion, sex, color, age, handicap or national origin, and that these shall not be a factor in consideration for employment, selection of training, promotion, transfer, recruitment, rates of pay, or other forms of compensation, demotion, or separation.

External Quality Control Review

HintonBurdick has never received any disciplinary actions from any federal, state, or other agency. The firm has undergone two external quality control reviews conducted by the Utah State Auditor's office within the last eight years. Both of the reviews were conducted at our request, specifically for governmental audits, and resulted in no findings or recommendations.

A copy of our most recent **independent peer review report is included at Exhibit A**. This review included several governmental audit engagements. The report is also posted on our firm's website at www.hintonburdick.com for the public accessibility requirement.



PROFESSIONAL AUDITING SERVICES PROPOSAL HINTONBURDICK CPAs & ADVISORS

Partner, Supervisory, and Staff Qualifications and Experience

The **character and personality of our staff is one of our biggest strengths**. We always receive positive feedback from client's they work with. The assigned audit team will include approximately seven full-time certified public accountants and professional staff, and one administrative assistant. The members of the assigned team collectively have well over **50 years of audit experience**. We do not assign a team of lower level staff who need to be "trained" by your staff. **We do not anticipate rotation of any key staff on the engagement** unless requested by the City. We have experienced **very little staff turnover**.

The **Partner will personally manage the entire engagement** and see that members of our team are continuously accessible and responsive to your needs. The partner will work together with senior staff to plan and carry out the audit. The partner will also be involved and provide supervision for review of audit work papers and the technical review of the financial statements and other reports issued with the engagement. Planned key staff members are as follows:

Engagement Partner:	Chad B. Atkinson, CPA	over 20 years of experience
Audit Partner:	Michael K. Spilker, CPA	over 30 years of experience
Consulting Partner:	R. McKay Hall, CPA, CISA, CITP, CFE	over 12 years of experience
Audit Manager:	Kelli Jones, CPA	over 10 years of experience

All of the team assigned to the engagement receive 80 hours of "yellow-book" audit and accounting **continuing education** every two years and those who plan and/or conduct a substantial portion of the fieldwork or reporting on the audit attend and complete at least 24 hours of continuing education in subjects directly related to government accounting and auditing every two years. Team members all have experience in the use of *Tyler Munis, Caselle, New World* and various other governmental accounting software systems.



Chad B. Atkinson, B.A., M.Pr.A, C.P.A. **Engagement Audit Partner**

Chad B. Atkinson graduated from the University of Utah with a Bachelor of Arts degree in 1998 and a Master of Professional Accountancy degree in 1999. **With more than 20 years of audit experience**, Mr. Atkinson serves on the firm's **Audit Committee**. And has **specialized in audit services** and has extensive experience in providing financial and compliance audits for numerous local governments in Nevada.

He has served a wide variety of clientele including, counties, **municipalities**, schools districts, districts, courts, utilities, and other entities. He has **focused mainly with local governments in Nevada** and currently works with 4 counties and 17 municipalities in various states.

Relevant CPE courses attended in the last three years include GASB updates, Government Audit Quality Center annual updates, auditing standards updates, uniform guidance training, internal control, risk assessment, fraud risks, ethics and numerous other courses. Mr. Atkinson is a **Certified Public Accountant** licensed to practice in Utah and has met the requirements for practicing in the neighboring states of Nevada, California, Colorado, and Arizona. He is a member of the American Institute of Certified Public Accountants, the Utah Association of Certified Public Accountants, and the **Government Finance Officers Association**.



PROFESSIONAL AUDITING SERVICES PROPOSAL HINTONBURDICK CPAs & ADVISORS



Michael K. Spilker, B.S., C.P.A. **Audit Partner**

Mr. Spilker graduated Cum Laude from Utah State University, earning a Bachelor of Science degree with honors in accounting. With **more than 30 years of audit experience**, Mr. Spilker serves as the firm's Quality Control Reviewer. Mr. Spilker has **specialized in governmental audit services** and has extensive experience in providing financial and federal single audits, MAS court audits, **ADEQ procedures**, and general management consulting.

Mr. Spilker has served a wide variety of clientele including, **municipalities**, counties, special service districts, courts, tribal governments, housing authorities, not-for-profit organizations, and utilities. He has served a wide range of audit clients ranging in size from the North Slope Borough, Alaska with billions of dollars of transactions to the smallest local government. He currently works with over 20 municipalities in various states and is a member of the **GFOA Special Review Committee**, which provides him exposure to numerous local government financial statements.

Relevant CPE courses attended over the last three years includes training on government accounting and auditing, single audits, GASB updates such as GASB 84 and GASB 87, internal control, risk assessment, fraud risks, ethics and numerous other courses. Mr. Spilker is a **Certified Public Accountant** licensed to practice in Arizona and Utah and has met the requirements for conducting local government audits in Nevada, Colorado and California. He is a member of the American Institute of Certified Public Accountants and the Utah Association of Certified Public Accountants. He has also served and continues to serve the community as a board member and/or treasurer for local nonprofit organizations.



R. McKay Hall, C.P.A., CISA, CITP, CFE **Audit Partner**

R. McKay Hall graduated from Southern Utah University with his Master of Accountancy degree in 2007 and Bachelor of Arts in Computer Science, Magna Cum Laude, in 2000. With **over twelve years of experience**, Mr. Hall has specialized in auditing and accounting services including forensic analysis and services. He also has a broad range of accounting and related experience in **performing internal control reviews and information system analysis and installations**.

Mr. Hall has served a wide variety of clientele, including tribes, counties, **municipalities**, utilities, and other entities. He works with numerous **municipalities similar to the City** in various states and provides monthly **full-service accounting work**, including budgeting, general ledger, payroll, bank reconciliation, billing, cash receipts and disbursement procedures, for some of our local government clients.

Relevant CPE courses attended include GASB updates, OMB updates, auditing updates, finding emerging fraud patterns, cyber security, risk assessment, internal controls, ethics, fraud risk, and numerous other courses. Mr. Hall is a **Certified Fraud Examiner (CFE)** and designated as a **Certified Information Systems Auditor (CISA)** and **Certified Information Technology Professional (CITP)**. He is a member of ISACA (formerly Information Systems Audit and Control Association) and the AICPA



PROFESSIONAL AUDITING SERVICES PROPOSAL HINTONBURDICK CPAs & ADVISORS

Information Technology Section, and supervises a team that provides in-depth analysis of information and technology systems. Mr. Hall is a **Certified Public Accountant** and a member of the American Institute of Certified Public Accountants (AICP), the Utah Association of Certified Public Accountants (UACPA), and the **Government Finance Officer Association** of Arizona.



Kelli Jones, BS, M.Acc, CPA **Audit Manager**

Kelli Jones graduated Summa Cum Laude from Southern Utah University, completing her Masters degree in Accountancy in 2010. With **over ten years of experience**, Ms. Jones has **specialized in audit services** and has extensive experience in providing financial audits for numerous local governments. In addition to her local government experience, she also has a broad range of accounting and related experience in performing internal control reviews, compiled and reviewed financial statements, and general management consulting.

Ms. Jones has served a wide variety of clientele, including counties, **municipalities**, school districts, special service districts, and other entities. Ms. Jones currently works with local governments in various states; however, she has **focused mainly with local governments in Nevada**.

Relevant CPE courses attended over the last three years includes training on government accounting and auditing, compilations and reviews, risk assessment, fraud risks, GASB updates, internal control, ethics and numerous other courses. Ms. Jones is a **Certified Public Accountant** licensed in Utah and has met the requirements for practicing in the neighboring states of Nevada, California, Colorado, and Arizona. She is also a member of the Utah Association of Certified Public Accountants.

References - Similar Engagements with Other Governmental Entities

The following are five engagements performed in the last three years similar to Carson City.

- **Churchill County, NV**
Financial Audit (CAFR) and Single Audits from FY17 to FY20
550 hours, 62 funds (38 governmental, 16 Trust & Agency, 7 proprietary - 1 other)
Contact: Sherry Wideman, Comptroller: 775-428-1414 - comptroller@churchillCity.org
- **City of Fernley, NV**
Financial Audit (CAFR) and Single Audits from FY14 to FY20
350 hours, 7 funds (6 governmental, 2 proprietary, 1 fiduciary)
Contact: Denise Lewis, Finance Director: 775-784-9843 - dlewis@cityoffernley.org
- **Boulder City, NV**
Financial Audit (CAFR) and Single Audits from FY18 to FY20
520 hours, 19 funds (16 governmental and 3 proprietary)
Contact: Diane Pelletier, Finance Director: 702-293-9250 - DPelletier@bcnv.org
- **City of Elko, NV**
Financial Audit and Single Audits from FY16 to FY20



PROFESSIONAL AUDITING SERVICES PROPOSAL HINTONBURDICK CPAs & ADVISORS

450 hours, 18 funds (12 governmental, 6 proprietary)

Contact: Jan Baum, Finance Director: 775-777-7111 - jbaum@elkocitynv.gov

- **St. George City, UT**

Financial Audit (CAFR) and Single Audit for more than 20 years

580 hours, 39 funds, (32 Governmental and 7 propriety)

Contact: Tiffany LaJoyce, Finance Manager: 435-634-5800 - tiffany.lajoyce@sgcity.org

References - Recommendations

Our widely diverse clientele vary in size and complexity, but they have one thing in common; they trust that we will deliver the highest level of client service. **If you want a personal touch and excellent service, HintonBurdick is the right firm for you.** We love our job and it shows through our client's comments. Here are a few client comments to illustrate this point:

- Denise Lewis, City of Fernley, NV:
"Prior to, during and even after field work, the Firm's responsiveness, timeliness and professionalism has been impressive".
- Elizabeth Francis, White Pine County, NV:
"In addition to annual audits, HintonBurdick provides answers to inquiries we might have outside the audit cycle related to both the audit process and other matters".
- Dave Empey, City of Mesquite, NV
"Each year, from a client perspective, staff assigned to our engagement have reviewed our client files from the previous audit and "know" us before arriving for field work".
- Ed Muder, City of Show Low, AZ:
"The staff and auditing work of HintonBurdick have not disappointed. In fact, they have more than lived up to their reputation as a polished, accurate, and thorough auditing firm".
- Phil Peterson, St. George City, UT
"Our experience with the firm and their auditors has been exceptional. They are timely in being here when they say and getting their audit completed in a timely manner".
- Sherry Wideman, Churchill County, NV:
"The firm's responsiveness, accuracy, and professionalism have been very impressive. Members of the Firm have been great to work with and did an efficient job of planning and preparing for the audit which saved a significant amount of County staff time".

Proposer's Approach to the Audit

All aspects of the audit planning process, evaluation of controls, audit programs, fieldwork and final analytical **procedures are integrated so that the audit is a continuous process.** We utilize the latest procedures in our audit tests, as well as using the latest technology to reduce costs and errors. In addition to auditing financial results, we look at the overall performance and operations of the entity.



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We develop constructive, practical suggestions for the improvement of internal accounting controls and procedures, as well as for the strengthening of overall management, and will formally communicate these suggestions in a management letter.

Fund Approach – Departments

We utilize a “fund” approach to our audit, which helps us to focus on issues related to each fund rather than overall revenues or expenditures. This approach is **unique from most firms who provide governmental audits**. This approach allows our audit team to focus on the purpose of the fund and the interrelationships between the balance sheet accounts, revenues, expenditures and fund balance. Our audit approach is based on the materiality level of each major fund and the remaining non-major funds. During our new audit engagements, we frequently find that prior auditors have overlooked some departments and transactions. Thus, we make a point to continue this thorough approach from year to year, which enhances the awareness of the audit requirements and **encourages department heads** to follow policies and procedures. As such, you will receive added value from the audit.

Proposed Segmentation

HintonBurdick’s staff size and experience allows assignment of resources to complete the audit work in the shortest possible time to **minimize day-to-day disruption**. We have conducted countless audits over the last 40 years and have developed an audit process, which will allow us to perform the audit and **meet specific deadlines**. The details of each segment of the audit are proposed as follows but can be adjusted to fit your needs or schedule:

SEGMENT 1 – PLANNING STAGE (MAY - AUGUST):

- Hold entrance conference and review prior year financial statements, accounting records and other information and issue the engagement letter.
- Prepare and submit the detailed audit plan to the City along with a Prepared by Client (PBC) list using the Suralink Professional Document Exchange System.
- Obtain preliminary trial balance, select accounts to confirm and prepare confirmation letters.
- Review prior period audit work papers and review commission meeting minutes.
- Prepare internal control narratives and review internal controls, accounting systems and grant management procedures.
- Prepare risk assessments, review compliance issues and develop audit programs.
- Prepare calculations for major fund determination and materiality levels for financial statements and major programs.
- Perform single audit preliminary work.
- Perform tests of controls.
- Schedule on-site fieldwork dates.

Client responsibilities for Segment 1:

- Ensure availability of City’ audit committee and other staff for the entrance conference and preliminary planning work as applicable.
- Provide preliminary trial balance and confirmation contact information.
- Update internal control narratives provided by the auditor.
- Assemble information for the PBC list in preparation for the fieldwork stage.
- Coordinate fieldwork dates.



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SEGMENT 2 – FIELDWORK STAGE (SEPTEMBER – OCTOBER – DEPENDING ON CITY AVAILABILITY):

- Hold entrance conference for fieldwork.
- Perform detailed audit procedures based on planning and assessment of internal controls and risk assessments, including procedures for cash and investments, cutoff, inter-fund transactions, current liabilities, payroll, capital assets, long-term liabilities, deferred outflows and inflows, detailed examination of all funds and related accounts, and compliance testing.
- Hold exit conference with City staff upon completion of fieldwork to summarize the results of fieldwork, review preliminary findings and discuss report deadlines and any unresolved issues.

Client responsibilities for Segment 2:

- Provide various documents and schedules as per the PBC list.
- Ensure that workspace is available and that City staff are available to provide assistance, locate supporting documentation and respond to inquiries during the scheduled fieldwork dates.

SEGMENT 3 – WRAP UP STAGE (OCTOBER - NOVEMBER):

- Conduct partner and manager review of audit work papers and audit programs.
- Conduct final review and analytical review procedures.
- Prepare and submit proposed audit adjustments, audited trial balance and draft findings and recommendations.
- Review draft financial statements and deliver final reports and communication letter to those charged with governance on or before November 30 each year.
- Prepare and certify the federal single audit submission to the Federal Audit Clearinghouse.
- Prepare and submit ADEQ agreed-upon procedures report.
- Present the audit to the City or audit committee as applicable in December of each year.

Client responsibilities for Segment 3:

- Review the proposed audit adjustments and draft findings and recommendations and comment as applicable.
- Prepare the draft financial statements (CAFR) and schedule of federal awards.
- Provide signed client representation letter to the auditor.
- Coordinate the audit presentation.
- Submit financial statements and applicable reports to the state.
- Review and certify the federal single audit submission to the Federal Audit Clearinghouse.

We estimate a total of 640 hours to complete the City's financial and single audits. A detailed work plan is provided at Exhibit C.

Audit Objectives

The AICPA issued a **suite of auditing standards related to expanded audit procedures**, which we will be required to follow as part of our audit of your financial statements. The **risk assessment standards** objectives are to enhance auditors' application of the audit risk model in practice by specifying, among other things: More in-depth understanding of the entity and its environment, including its internal control, to identify the risks of material misstatement in the financial statements and what the entity is doing to mitigate those risks. More rigorous assessment of the risks of where and how financial statements could be materially misstated based on that understanding. Improved linkage between the auditor's assessed risks and the nature, timing, and extent of audit procedures performed in response to those risks.



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In addition to the above objectives related to risk assessment the following audit objectives related to assets, liabilities, revenues, expenditures, financial statements and compliance are common to governmental audits and will be utilized based on our assessment of risks and the results of our procedures.

- All cash and investments of the entity are on hand, in transit, or on deposit with third parties in the name of the entity. Cash and investments are stated at the correct amount and reflect a proper cutoff. Depositories are legally acceptable; adequate collateral has been pledged and cash and investment restrictions are appropriate.
- Wages, salaries and benefits disbursements are computed using rates or amounts approved by the governing board and in accordance with laws and regulations for work performed and authorized.
- Expenditures and cash disbursements are properly recorded for goods or services received and as authorized (in accordance with the budget and grant agreements). Expenditures and related liabilities have been recorded correctly as to account, fund, budget category, period and amount
- All valid revenues have been recorded correctly as to account; fund, budget category, period and amount and billed revenues or charges for services and related receivables have been properly stated at the net realizable amount.
- Account balances and transactions are properly summarized and classified in the financial statements, and related disclosures are adequate.
- GASB34 conversion adjustments for the statement of net assets and statement of activities have been made in accordance with accounting standards in all material respects.
- Federal and state grant revenues and expenditures are administered and recorded in accordance with grant provisions and related laws and regulations.
- Management is aware of federal and state compliance issues and has established procedures for compliance with laws and regulations.

Audit Sampling and Information Technology

Statistical sampling is generally not deemed appropriate or necessary based on the number and type of transactions processed by governmental entities and other cost/benefit considerations; however, statistical sampling may be used based upon professional judgment as a result of our audit planning. We normally select numerous samples of transactions for testing various account balances and compliance and to ensure that each department of the City are tested.

HintonBurdick's paperless audit software system enables us to import and analyze your financial data and gives us the ability to analyze, sort, extrapolate and compare your information with prior years, projected results and other expectations so that we can **effectively and efficiently plan and perform the audit**. As an integral part of our evaluation of your system of internal controls, we will evaluate your EDP system. Software for data extraction will be used if applicable as a result of audit planning. System tests for integrity, security, use of computer assisted audit tools, and the use of an IT specialist will be applied if deemed necessary based on audit objectives and results of planning and other test work.

Analytical Procedures

HintonBurdick utilizes analytical procedures in both the planning stage and the final review stage of the audit in accordance with generally accepted auditing standards. Comparisons will be made between the current year actual and prior year actual activity as well as budget-to-actual comparisons. We will also utilize various other analytical procedures during the audit such as analysis of gross



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margins, rate analysis, month-to-month comparisons for service revenues and various other ratios and analysis. We look for appropriate relationships and analyze expectations based on our knowledge of the City and our **numerous years of experience**. This **analytical approach** often **reveals problems** that may have been missed by simply performing “canned” audit procedures and checklists.

Internal Controls

Auditing standards require the auditor to obtain a sufficient understanding of internal control and fraud risk factors in order to plan the audit and to determine the nature, timing and extent of test to be performed. Professional standards require that we communicate, in writing; deficiencies in internal control over financial reporting that are considered significant deficiencies or material weaknesses that are identified during the audit. We will also communicate, in writing, **constructive, practical suggestions for strengthening overall management and internal accounting controls and procedures**.

Laws and Regulations

HintonBurdick has developed a legal compliance audit guide based upon applicable state statutes to test compliance with state law. These audit guides, which are updated annually, as well as the OMB Compliance Supplements and grant agreements, will be utilized for testing compliance with laws and regulations. We normally select samples of transactions for testing compliance with federal and state laws and local ordinances, based on prior year’s findings, materiality, and specific requirements as per grant agreements and compliance audit guides.

Identification of Anticipated Potential Audit Problems

The City should anticipate the implementation of GASB 87: *Leases* and other significant standards in future years; however, we do not anticipate any audit problems. Should any problems arise, we will discuss the issue with management and a plan will be implemented to address the problem.

Technical Review of Reports

All local governments audited by HintonBurdick that have submitted their financial statements to the GFOA have **received the Certificate of Achievement for Excellence in Financial Reporting**. The technical review of reports will be provided by the engagement partner and supervisory staff. We submit drafts of our opinion letters and our findings and recommendations to management in order to provide the opportunity for comments and clarifications before the reports are finalized.

Additional Professional Services and Qualifications

We have performed various **agreed-upon procedures** engagements such as internal control analysis, accounting systems analysis, overhead allocations analysis and various other management consulting engagements. We have also performed various **ADEQ agreed-upon procedures** engagements for local governments in Arizona and Nevada.

HintonBurdick has experience performing **external reviews for Arizona and Nevada courts** in accordance with the Minimum Accounting Standards. We performed 10 Nevada court audits for FY18 and another 11 for FY19.



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Exhibit A - Peer Review Letter

Poulsen VanLeuven & Catmull PA Certified Public Accountants

Members of the American Institute of CPAs
and the Idaho Society of CPAs
Jeffrey D. Poulsen, CPA
Darren B. VanLeuven, CPA
Jacob H. Catmull, CPA

Report on the Firm's System of Quality Control

August 14, 2020

To the Owners of
Hinton Burdick CPAs & Advisors
and the Peer Review Committee of the Nevada Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Hinton Burdick CPAs & Advisors (the firm) in effect for the year ended March 31, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act, an audit of an employee benefit plan, and an examination of service organizations [SOC 1 engagements].

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Hinton Burdick CPAs & Advisors in effect for the year ended March 31, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Hinton Burdick CPAs & Advisors has received a peer review rating of *pass*.

Poulsen, VanLeuven & Catmull
Poulsen, VanLeuven & Catmull P.A.

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Exhibit B – Fixed Fee and Expense Matrix

Our all-inclusive maximum price for the financial and single audits of the City for the years ended June 30, 2021 thru 2023 with an option to renew for the years ended June, 30, 2024 and 2025 are:

Service	FY2020-21	FY2021-22	FY2022-23	(Optional) FY2023-24	(Optional) FY2024-25
Financial and Single Audit and related reports	\$ 97,375	\$ 92,375	\$ 95,325	\$ 97,325	\$ 99,825
ADEQ procedures and report	875	875	925	925	925
Total All-Inclusive Maximum	\$ 98,250	\$ 93,250	\$ 96,250	\$ 98,250	\$ 100,750

The expense matrix and rates are:

	Hours	Hourly Rate	Total Cost
Partner	110	\$ 220	\$ 24,200
Senior Staff	280	150	42,000
Staff	230	106	24,380
Clerical and other	20	76	1,520
Rounding			150
Subtotal	640	\$ 144	\$ 92,250
Out of pocket expenses:			
Meals and lodging			3,550
Transportation			2,450
Subtotal			6,000
Total all inclusive maximum price for 2020-21 audit			\$ 98,250

We anticipate the scope of the work to include an examination of the same accounts and activities included in the fiscal year 2020 audit. The above prices are based upon the assumption that the City's records are in good, auditable condition and that the City's personnel will be available to assist on a timely basis and that the City will prepare the financial statements and related documents.

Other non-audit services, such as assistance with bookkeeping or other accounting services necessary to bring the records and accounts into auditable condition are not anticipated. We **do not bill for casual phone calls** and consultations and we encourage you to call on us throughout the year. Additional services can be provided at the same rates set forth above if requested by the City.

Michael Spilker, CPA is entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with Carson City, Nevada.

We appreciate your consideration of HintonBurdick, PLLC for this engagement and look forward to a pleasant and mutually beneficial relationship.



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Exhibit C – Estimated Manpower -Detailed Work Plan

	Staff Level:	Clerical	Staff	Senior Staff	Partner	Total
Planning Stage:						
	Engagement letter					
	Internal control documentation and review					
	Audit approach plan - risk assessments					
	Confirmations					
	Review of minutes					
	Inventory, test of controls and other					
	Total planning stage	10	30	60	30	130
Fieldwork Stage:						
	Testing of cash and investments					
	Testing of long term debt and debt service funds					
	Testing of capital assets and capital project funds					
	Testing of cutoff, current liabilities and payroll					
	Detailed examination of all funds					
	Single audit testwork					
	Compliance testwork					
	Total fieldwork stage	0	180	140	45	365
Wrap Up Stage:						
	Review of workpapers					
	Preparation and review of management letter					
	Review of the CAFRs					
	Final review and analytical procedures					
	ADEQ procedures and report					
	Submission of CAFRs, single audit, other reports					
	Total wrap up stage	10	20	80	35	145
Totals		20	230	280	110	640