

# Staff Report

**TO:** Board of Directors

**FROM:** Marvin Davis, MBA, CPA, Finance Manager/Treasurer  
Debbie Martin, CPA (inactive), Controller

**DATE:** October 13, 2021

**SUBJECT:** **FY2021 Financial Audit Services**

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***FINANCE***

## **RECOMMENDATION:**

Award a contract in the amount of \$53,200 with MUN CPAs & Associates, LLP for the fiscal year 2021 financial audit services, and authorize the General Manager to extend the agreement covering additional years.

## **BACKGROUND:**

The California Government Code (GC 26909), Grant Contracts, Debt Continuing Disclosure, Rating Agencies, and the Board of Directors require audited financial statements of the District. The District contracted with the firm Richardson and Company, LLP, in October 2013 for this service. The contract covered a five-year engagement consistent with Board policy and industry standards. The contract was extended in October 2018 for an additional three years ending in the fiscal year 2020.

The District issued a Request for Proposal (RFP) (attached) on August 2, 2021, for these services to thirteen firms and received five responses. Staff evaluated the responses based on the RFP's selection criteria and recommends MUN CPAs, LLP for the contract.

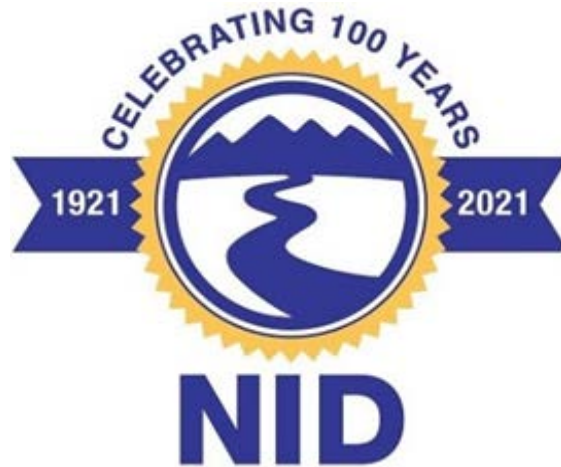
This item is in alignment with Goal No. 1 of the District's Strategic Plan, as it demonstrates timely management of the District's financial resources.

**BUDGETARY IMPACT:** FY22 \$53,200 Account: Consulting Fees 10135 – 52603

MD/DM

Attachments:

- NID Request for Proposal, RFP Vendors List
- MUN CPAs & Associates Response to RFP
- Financial Audit Services Professional Service Agreement



**REQUEST FOR PROPOSALS  
INDEPENDENT FINANCIAL AUDIT  
SERVICES**

**Nevada Irrigation District**  
1036 West Main Street  
Grass Valley, CA 95945-5424

Date August 2, 2021

The Nevada Irrigation District (the District) requests proposals from qualified independent certified public accountants to audit and report on the financial position of the District. The District will be accepting proposals from firms of “recognized ability and standing” practicing in the State of California for engagement.

The audit period will be for the fiscal year beginning January 1, 2021 and ending December 31, 2021 with options to renew for annual audits for the fiscal years ending December 31, 2022, 2023, 2024 and 2025. Price proposals for five years are requested along with qualifications.

There is no expressed or implied obligation for the District to reimburse responding firms for any expenses incurred in preparing proposals in response to this request. Materials submitted by respondents are subject to public inspection under the California Public Records Act (Government Code Sec. 6250 et seq.), unless exempt. Any language purporting to render the entire proposal confidential or proprietary will be ineffective and disregarded.

All property rights, including publication rights of all reports produced by Proposer in connection with services performed under this agreement vest in the District. The Proposer shall not publish or release any of the results of its examination without the express written permission of the District. During the evaluation process, the District reserves the right, where it may serve the District’s best interests, to request additional information or clarification from the Proposers. At the discretion of the District, firms submitting proposals may present oral presentations as part of the evaluation process.

The District reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of ultimate selection. Submission of a proposal indicates acceptance by the firm of the conditions contained in this RFP, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the District and the firm selected.

The winning proposal shall execute a written contract with the District within 10 calendar days after providing notice of the award. Notice of award winner can be in written electronic format or by phone. The contract is in the form adopted by the District and incorporated in these specifications. The District reserves the right to reject any or all proposals, to waive any non-material irregularities or information in any proposal and to accept or reject any items or combination of items.

The work will be awarded, at District’s sole discretion, to the proposer with the most responsive and reasonable proposal within the competitive range and determined to be the most advantageous to the District based on the evaluation criteria specified herein.

The following items are included in this RFP:

- A. Background
- B. Purpose of the Request for Proposals
- C. Scope of Work
- D. Proposal Format and Content
- E. Calendar of Events
- F. Agreement for Consulting Services
- G. Evaluation Criteria
- H. General Information

## **A. BACKGROUND**

Formed in 1921, The Nevada Irrigation District (NID) headquarters in Grass Valley, California, a picturesque and historic California Gold Rush town in the foothills of the Sierra Nevada, 60 miles northeast of Sacramento. NID is a special district operating under the California Water Code and is located at 1036 W. Main Street, Grass Valley, CA, 95945.

NID collects water on over 70,000 acres of high mountain watershed and owns and operates an extensive reservoir and canal system and network of water treatment plants. NID's water storage extends from the crest of the Sierra Nevada mountain range to the Central Valley and consists of a network of 10 major and 17 minor reservoirs, more than 475 miles of canal, and more than 400 miles of pipeline. NID also owns and operates a number of outdoor public recreation facilities located adjacent to some of its reservoirs. The Yuba River, Canyon Creek, Bear River, and Deer Creek watersheds provide NID's primary water supplies. NID's water supply comes from a single source: natural runoff from these contributing watershed areas.

Governed by an elected Board of Directors representing five divisions, The District covers approximately 287,000 acres. The District provides treated water to approximately 19,700 customers and raw water to approximately 6,500 customers in Nevada, Placer and Yuba Counties. NID owns and operates six hydroelectric power plants with virtually all power produced sold to Pacific Gas & Electric. The District and United States Forest Services operate Recreation facilities at four of the District's ten storage reservoirs. The District's 2020 annual operating and capital budgets is approximately \$81 million. The Board of Directors appoints the General Manager who reports directly to them. For additional information, see the NID web page [www.nidwater.com](http://www.nidwater.com). Previous years audited financial statements are under About NID – Financial & District Documents.

The District maintains seven separate funds: water, community facility and assessment district, recreation, hydroelectric, and recreation funds. Under the Governmental Accounting Standards Board (GASB) financial reporting model (Statement 34), the District follows Enterprise Fund Accounting. The three major sources of revenue are water sales, property taxes and electric power revenue. As a state agency, NID operates under rules and regulations adopted under authority conferred by the California Water Code. NID board conducts public meetings and records are open to public inspection during normal business hours.

NID headquarters are at an 18-acre site located on 1036 West Main Street in Grass Valley. The District also operates a maintenance yard on Gold Hill Road near Lincoln and a Hydroelectric Field Office off Interstate 80 near Colfax.

## **B. PURPOSE OF THIS REQUEST FOR PROPOSALS**

The purpose of the requested services is to provide the District with an annual audit in accordance with Generally Accepted Auditing Standards as set forth by the American Institute of Certified Public Accountants (AICPA), Generally Accepted Governmental Auditing Standards (GAGAS) and Accounting Statements Issued by the Governmental Accounting Standards Board (GASB).

## **C. SCOPE OF WORK**

The following scope of work is an outline of minimum services. Your proposal should include all services that can be reasonably anticipated for developing a Comprehensive Annual Financial Report (CAFR) that meets the criteria of the Government Finance Officers Association Certificate of Achievement for

Excellence in Financial Reporting Program. The proposal should include a detailed timeline for scheduling work, completion and review of documents, and Board appearances.

#### **I. Services To Be Provided By The Auditor**

- a. Perform an audit in accordance with Generally Accepted Auditing Standards (GAAS) in the United States and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.
- b. Express an opinion on the financial statements as to whether they present fairly, in all material respects, the financial position of the District and the changes in financial position in conformity with generally accepted accounting principles (GAAP), and issue an independent auditors' report stating this opinion.
- c. Test internal controls over financial reporting and compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters, in accordance with Government Auditing Standards, and issue a report on their consideration.
- d. Apply limited procedures related to the Required Supplementary Information (RSI), Management's Discussion and Analysis (MD&A), budgetary comparison information, and the Supplementary Information.
- e. Prepare the District's Annual Report of Financial Transactions of Special Districts to the State Controller's Office and submit them including a copy of your auditor's report to the District and the State Controller by required deadlines.
- f. Prepare report to the Board of Directors and Management which identifies internal control deficiencies, significant deficiencies, and material weaknesses, if any, and your recommendations for improvements in accounting and administrative controls.
- g. Be in attendance and available to discuss annual financial statements and results of operations to the Board of Directors during one of the Board of Director meetings.
- h. Communicate immediately and in writing all irregularities and illegal acts, or indications of illegal acts, of which they become aware, to the General Manager and the Finance Manager.
- i. Provide general consultation as required, during the year, on financial accounting and reporting matters.
- j. Retain at auditor's expense audit working papers for three (3) years, unless the firm is notified in writing by the District's need to extend the retention period. In addition, the firm shall respond to reasonable inquiries of the District and successor auditors and allow the District and successor auditors to review working papers relating to matters of continuing accounting significance.

k. No extended services will be performed unless authorized in the contractual agreement or in an amendment to the agreement. The District is seeking to engage an audit firm for fiscal year 2021 records. Although the term of the proposed agreement is for only one year, the District desires to retain the independent auditor for additional years if satisfactory terms of renewal can be negotiated. The Board of Directors has a practice of changing auditors approximately every 5 years.

## **II. Services To Be Provided By The District**

1. Finance department staff will be available during interim and audit field work to assist the firm by providing access and direction to information, documentation, and be available for explanations of all inquiries. Staff will provide clerical assistance for preparation of confirmations and other routine correspondence.
2. The District will be responsible for the preparation of the Management Discussion and Analysis (MD&A).
3. The District's outside Legal Counsel will be available to discuss pertinent legal issues to the District's financial statements.
4. The District will provide the auditors with reasonable workspace, phone, wireless internet and copy machine access.
5. All documentation supporting the financial statements is located in the District office at 1036 West Main Street, Grass Valley, CA. 95945.

## **III. Audit Report Requirements**

1. The audit report will be prepared by the selected external auditor.
2. The auditor's report relating to the examination of the business-type activities of the District's basic financial statements must (a) state the scope of the examination and that the audit was performed in accordance with generally accepted auditing standards and (b) must include an opinion as to whether the statements conform to generally accepted accounting principles.
3. The audit report shall include at least the auditor's report on the study and evaluation of the internal control structure. It must identify the organization's significant internal accounting controls. This report must identify the controls not evaluated, and the material weaknesses identified as a result of the evaluation.
4. A management letter that includes a statement of audit findings and recommendations affecting the financial statements, internal control structure, accounting procedures, accounting systems, legality of actions, other instances of non-compliance with laws and regulations and any other material matters.

5. Prior to the submission of the final report, the audit firm's staff will be required to review the draft of the report and management letter with District staff.
6. Any other applicable requirements of law of GASB.

#### **D. PROPOSAL FORMAT AND CONTENT**

1. **Cover Letter:** A signature by a principal or officer having the authority to negotiate and contractually bind and extend the terms of the written proposals is required.
2. **Executive Summary:** In a brief, non-technical narrative, describe the proposed solution by setting forth the overall approach and plans to meet the requirements of the RFP. The contents of this narrative are to convince the District that the Consultant understands the Nature of Services Required and the Audit Report Requirements to be provided by the Consultant.
3. **Approach to the Audit:** Describe your approach to this audit and any special ideas, techniques or suggestions that you think might make the audit proceed smoothly.
4. **Experience:** Describe the experience of the firm and the individuals assigned with related audits of a similar nature.
5. **References:** List at least 3 references, including name, address, and contact person, email and phone number.
6. **Qualifications:** Describe your staff's unique qualifications and training for this type of work. If using sub consultants, provide the company profile and define the responsibilities and services to be provided by the sub consultants
7. **Schedule:** Describe your plan and work schedule for completing the final report and appearance before the NID Board
8. **Cost Proposal:** Provide a not-to-exceed and all-inclusive Cost Proposal for the audit, list all hourly rates for additional contract work as may be necessary
9. **Copy of an Annual Financial Report:** Include a copy of work performed by the Proposer that most closely fit the Nature of Services Required and the Audit Report Requirements

**E. CALENDAR OF EVENTS**

Event	Date <sup>(1)</sup>
RFP Issued	August 2, 2021
Deadline to receive Proposal	August 31, 2021
Award of Contract	September 30, 2021
Auditor (PBC) Interim List	April 15, 2022
Auditor (PBC) Final List	May 31, 2022
CAFR Preparation	June 30, 2022
CAFR Completion and Board Presentation	July 2022 (GFOA due Jul 31 <sup>st</sup> )

(1) Dates subject to change

The consultant shall schedule a kick-off meeting with District within ten (10) days of Award. Respective of emergencies, the District anticipates a completed CAFR draft within 6 months of Fiscal Year End December 31. During completion of drafts, the proposer should anticipate interacting with District staff, Board and Stakeholders.

**F. AGREEMENT FOR CONSULTING SERVICES**

The District’s standard Consulting Services Agreement is included at the end of this RFP for your review. When submitted, the proposal must contain any requests for revisions to the Services Agreement, including those discussed with District staff prior to submittal and any additional revisions requested by the proposer not discussed prior to submission. District staff will review all requests for revision; however, the District retains the authority to make the final determination as to acceptability of the requested revisions.

**G. EVALUATION CRITERIA**

The following table provides an itemized list of criteria used to evaluate the proposals. The overall score of the proposals is the sum of the relative percentages as shown below. The District encourages the Consultant’s proposal to follow the sections outlined under the “Proposal Format and Content” section.

1. Proposal format and content – 10%
2. Executive Summary (Understanding assignment) – 20%
3. Experience/Qualifications (Including copy of prior audit) – 35%
4. Proposed schedule of assignment completion – 15%
5. Cost proposal – 20%



## J. GENERAL INFORMATION

1. Electronic or hard copies are due no later than 5:00pm August 31, 2021 at the below location and email address.

Marvin V. Davis, MBA, CPA  
Finance Manager/Treasurer  
Nevada Irrigation District  
1036 W. Main Street  
Grass Valley, CA 95945  
Email: [davism@nidwater.com](mailto:davism@nidwater.com)  
Office: (530) 271-6185 ext. 1255

Debbie Martin, CPA (inactive)  
Controller  
Nevada Irrigation District  
1036 W. Main Street  
Grass Valley, CA 95945  
Email: [martind@nidwater.com](mailto:martind@nidwater.com)  
Direct Line: (530) 271-6185 ext. 1251

2. Please provide annual summary cost for report and audit services for 5-Year engagement.
3. Please provide staff and owner hourly rates and general expense charges.
4. The District may consider any proposal non-responsive if not prepared and submitted in accordance with the provisions hereof and may waive any formalities or reject any/or all proposals. Disqualification may result for proposals received after the date and time specified above. There will not be a formal public opening of the proposals.
5. The proposal should be as concise as possible, excluding the resumes and transmittal letter.
6. An officer or employee of the proposing firm authorized to contract work for the firm shall sign all proposals. Corrections to the proposal must be in writing by the person signing the proposal. Proposals may be withdrawn by written notice at any time prior to the day and time the proposals are due. Email notification is acceptable.
7. Additional questions regarding the proposal must be in writing and prior to due date, although a phone call clarifying concerns might be practical.
8. During proposal evaluation, District staff may pose questions and discuss scope and costs of service with proposers who submit proposals.
9. Following evaluation of the proposals, the District may elect to have interviews with a short-list of proposers.
10. Following acceptable negotiations regarding the scope and cost of the work, the successful consultant shall execute and submit the agreement to the District.

## Nevada Irrigation District

### Financial Audit Services RFP 8-2-2021: Vendors List

Vendors Solicited	Phone	Contact	Address
Badawi & Associates	510-768-8244	Ahmed Badawi	180 Grand Avenue, Suite 955, Oakland, CA 94612
Chavan and Associates, LLP	408-217-8749	Sheldon Chavan	1475 Saratoga Ave, Suite 180, San Jose, CA 95129
CliftonLarsonAllen, LLP	916-784-7800	Richard Gonzalez	915 Highland Pointe Drive, Suite 300, Roseville, CA 95678
Gilbert Associates, Inc	916-646-6464	Peggy Vandevoreen	2880 Gateway Oaks Dr. #100, Sacramento, CA. 95833
JJACPA, Inc	925-556-6200	Joe Arch	7080 Donlon Way, Suite 204, Dublin, CA 94528
Larry Bain, CPA, Inc.	916-601-8894	Larry Bain	2148 Frascati Drive, El Dorado Hills, CA 95762
Mayer Hoffman McCapp, P.C.	949-783-1747	Ken Al-Iman	2301 Dupont Dr., Suite 200, Irvine, CA 92612
Moss Adams, LLP	503-242-1447	Julie Desimone	3100 Zinfandel Dr. 5th Floor, Rancho Cordova, CA 95670
MUN CPAs	916-929-0540	Bea Maurer	1760 Creekside Oaks Dr. Suite 160, Sacramento, CA 95833
Nicholson & Olson, CPAs	916-786-7997	Elizabeth Allen	729 Sunrise Ave., Ste. 303, Roseville, CA 95661
Nigro & Nigro, PC	951-698-8783	Jeff Nigro	25220 Hancock Ave., Ste. 400, Murrieta, CA 92562
Simpson & Simpson, CPAs	213-736-6664	Stacey Hubbard	633 West Fifth St. Suite 3320, Los Angeles, CA 90071
Smith Marion & Co., LLP	909-825-6600	Chad Porter	22365 Barton Road, Suite 108, Grand Terrace, CA 92313

Vendors Responding	Phone	Contact	Address
Badawi & Associates	510-768-8244	Ahmed Badawi	180 Grand Avenue, Suite 955, Oakland, CA 94612
Chavan and Associates, LLP	408-217-8749	Sheldon Chavan	1475 Saratoga Ave, Suite 180, San Jose, CA 95129
CliftonLarsonAllen, LLP	916-784-7800	Richard Gonzalez	915 Highland Pointe Drive, Suite 300, Roseville, CA 95678
Moss Adams, LLP	503-242-1447	Julie Desimone	3100 Zinfandel Dr. 5th Floor, Rancho Cordova, CA 95670
MUN CPAs	916-929-0540	Bea Maurer	1760 Creekside Oaks Dr. Suite 160, Sacramento, CA 95833



MANN, URRUTIA, NELSON CPAS  
& ASSOCIATES LLP

Proposal to Provide Audit Services  
**NEVADA IRRIGATION DISTRICT**

**AUGUST 27, 2021**

CONTACT:

JUSTIN WILLIAMS, PARTNER

MANN, URRUTIA, NELSON CPAS & ASSOCIATES, LLP

SACRAMENTO OFFICE: 1760 CREEKSIDE OAKS DR., SUITE 160

SACRAMENTO, CA 95833

916-929-0540

[jjw@muncpas.com](mailto:jjw@muncpas.com)

[WWW.MUNCPAS.COM](http://WWW.MUNCPAS.COM)

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**TOTAL CLIENT COMMITMENT**

SACRAMENTO • ROSEVILLE • GLENDALE • SOUTH LAKE TAHOE • KAUAI, HAWAII



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August 27, 2021

Marvin V. Davis, Finance Manager/Treasurer  
Debbie Martin, Controller  
Nevada Irrigation District  
1026 W. Main Street  
Grass Valley, CA 95945

Dear Mr. Davis and Ms. Martin,

On behalf of our partners and staff of Mann, Urrutia, Nelson CPAs & Associates LLP (MUN CPAs) I am pleased to present our proposal to provide professional services to the Nevada Irrigation District (the District). Our Firm has experienced continuous growth and success as we meet and exceed client expectations. Our overall goal is to provide responsive, innovative services of the highest quality to our clients.

We believe our firm is the best qualified to perform this engagement because we add value to the audit by providing specialized resources and technical proficiency. Our expertise in governmental auditing and accounting combined with our vast access to resources empowers us to solve challenges encountered during the audit. Our highly trained engagement team will maintain a knowledgeable, yet, non-intrusive, approach to the audit, and in this way, deliver an audit of exceptional quality requiring few disruptions in the conduct of the District's on-going operations.

We separate ourselves from our competition by:

- ◇ Extensive Partner involvement on each engagement
- ◇ Manager and/or Partner always on site during fieldwork
- ◇ Consistent and experienced staff
- ◇ Timeliness of communications
- ◇ Proactive approach in addressing complex issues early in the engagement
- ◇ Availability to clients as a specialized resource
- ◇ Professionalism with understanding

**Our success** — The keys to our success and growth include our commitment to outstanding quality, properly trained staff, timely communication in all aspects of the audit, planning, and understanding how to structure each audit to ensure efficiencies are achieved, and our ability to meet all required deadlines.

We add value to the audits we perform by providing specialized resources and technical proficiency. Our expertise in governmental accounting combined with our vast access to resources empowers us to solve challenges encountered during the audits. Our unique combination of technical expertise, combined with our philosophy of total client commitment throughout all phases of the engagement provides our clients the highest quality service and products available.

We are confident that our proposal addresses your needs and look forward to discussing and reviewing its content with you. We would welcome this opportunity to differentiate our Firm from our competition and further discuss our approach in providing quality service.

I hereby certify that I am authorized to represent the firm, and have the authority to negotiate and contractually bind and extend terms of this proposal.

Sincerely,

  
Justin Williams, CPA  
Partner



## EXECUTIVE SUMMARY

We understand that the Nevada Irrigation District requires timely audit services and we are committed to meeting all terms, conditions, and requirements as addressed in the request for proposal. With our experience and expertise, we fully understand the audit requirements, as well as your expectations.

The Nevada Irrigation District is requesting an audit of its basic financial statements, including all procedures necessary for the issuance of an opinion regarding the fairness of the presentation in conformity with U.S. generally accepted accounting principles. It is our understanding that the term of the services will be for the fiscal year ending December 31, 2021 with the option to renew the contract for the fiscal years ending December 31, 2022 through December 31, 2025, and services will include the following:

1. Perform an audit of all funds of the Nevada Irrigation District and issue related reports.
2. Provide assistance, if needed, with the Annual Comprehensive Financial Report in meeting the requirements for the Government Finance Officers Association (GFOA) "Certificate of Achievement for Excellence in Financial Reporting".
3. Issue a report on internal control over financial reporting and compliance and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards.
4. Prepare and submit the Financial Transactions Report to the State Controller's Office for the Nevada Irrigation District.
5. Present and discuss annual financial statements and audit results to the District Board of Directors.
6. Issue a Management Letter that includes recommendations for improvements in internal control, accounting procedures and other significant observations that are considered to be non-reportable conditions.
7. The Firm will be available for consultation by phone on accounting and financial issues during the year at no extra cost
8. The Firm will make an immediate written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the District's Finance Manager and/or Controller.

The audit will be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; *the Basic Audit Program and Reporting Guidelines for California Special Districts*, as prescribed by the State Controller.



## APPROACH TO THE AUDIT

Our audit work plan targets our audit efforts on those areas of your financial statements that represent the greatest risk. This includes integrated quality-control processes, including policies and procedures for engagement quality control.

Our financial audit methodology comprises a set of interdependent audit work steps and procedures that enable the audit team to plan and execute the audit strategy and conclude and report audit results. The methodology also provides for performance measurement to enable improvement in quality of audit work through identification of training needs and motivation of staff through performance based growth and advancement. The financial audit methodology of our firm is built around the following:

- Generally accepted auditing standards
- Professional ethics
- Quality assurance and control

Our audit process begins with the assignment of staff to the engagement. Our engagement team has the expertise to provide a level of service desired and deserved by your organization. Our engagements are supervised by the engagement partner and the manager who specialize in government and special district audits. As high-level involvement is vital to a quality audit, the partner and manager's time will account for approximately 30% of total hours spent on the engagement. Our team's approach is designed to be efficient yet non-intrusive.

## PROPOSED SEGMENTATION OF THE ENGAGEMENT

### Audit Planning

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Our audit planning process includes a risk assessment of the District and review of the control environment. We begin with a pre-planning meeting to ensure that management's expectations and our expectations are communicated prior to commencing the audit. We will confirm our understanding of the engagement deadlines and ensure these are met timely.

### Interim Audit Phase:

Our interim audit phase typically consists of two days of fieldwork and includes the following:

### Risk Assessment

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As part of our extensive planning phase, the engagement team will discuss with management issues surrounding the applicable industry, the District's internal & external environment, significant events, as well as economic, political, and social factors to determine and document areas of risk. Once areas of risk have been identified, the next process will be to review the control environment.



### Control Environment — Interim Phase

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Our understanding of and reliance on the District's internal controls related to financial reporting is a key factor in our audit approach to the District's financial statements. Our interim audit procedures are primarily focused on developing our understanding of internal controls related to cash receipts, cash disbursements, payroll, financial reporting close and the IT environment, and then performing tests of those controls. Our planned audit approach is a control-based audit in which we are planning to perform tests of controls in order to place reliance on the District's key controls.

We develop our understanding of the District's internal controls through a combination of verbal discussions with management, and observation and inspection of documents. We first gain a high-level understanding of controls by asking an appropriate member of your finance department to describe the processes for recording transactions and more importantly, how the review and approval of transactions is documented. Then to corroborate the descriptions, we ask to see physical evidence that the control is in place. Physical evidence is typically management providing key documents that have evidence of a review or approval on the document.

If we identify any controls that are not operating as designed, we will first discuss with management before providing a written recommendation.

### Year-End Audit Phase:

Our year-end audit phase typically consists of two to three days of fieldwork and includes the following:

### Substantive Procedures — Year End Phase

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Substantive audit procedures are designed based on our risk assessment process. Complex and high-risk accounts will be identified early in the audit process and these accounts will be assigned to the manager and/or partner for actual testing. Our substantive audit procedures will include the following:

- ◇ Tests of account details — Detail transaction testing to source documentation
- ◇ Analytical procedures — Ratio analysis, variance analysis, trend analysis
- ◇ Use of data analysis software — Review of large volumes of data to detect anomalies
- ◇ Unpredictability tests — Varying timing and extent of tests
- ◇ Review of management's estimates — To determine reasonableness
- ◇ Review of subsequent events and contingencies — For proper adjustment and footnote disclosure

### Laws and Regulations

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As applicable, we will review the laws and regulations covering the District's grants and other programs. Based upon our inquiry with District staff, review of the District's government code, review of administrative policies, etc. we will determine the relevant laws and regulations that will be subject to additional test work.

### Use of Analytic Procedures during the Audit

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The use of analytic procedures during our audit of the District is part of our planned audit approach for certain financial statement line items. In order to perform effective analytic procedures, MUN CPAs must first obtain an understanding of activity at the District, as well as changes in activity at the District during the year under audit. This will allow MUN CPAs to develop expectations for changes or lack of changes in key account balances for purposes of performing our analytic procedures. Our analytic procedures will be performed using a combination of the following:





- Independent recalculations of account balances: Performing our own independent recalculation of an account balance, then comparing to the District's actual account balance to see if our recalculated balance agrees to the District's balance. Significant variance between our recalculated balance and the District's balance would require additional inquiries and procedures to determine if the account balance requires an adjustment.
- Variance analytics of prior year and current year account balances: By developing our understanding of activity at the District, we can then compare current year account balances to the prior year balance and determine if the change in the account balance is reasonable based on our understanding of activity at the District during the year. Account balances and/or changes in account balances that do not meet our expectations will require further inquiry with management to determine if an adjustment is needed.
- Ratio analysis: We can compare the relationship of certain accounts to other accounts or non-financial information to determine if the relationship is consistent or if a variance may indicate an adjustment to an account may be required.

#### Drawing Audit Samples

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The selection of audit testing samples is based on a combination of materiality, qualitative factors, and auditor judgement. Account balances and/or transactions over a certain dollar limit are automatically selected for testing. Smaller account balances, transactions or disclosures that MUN CPAs determines may have a qualitative impact on the financial statements and influence a user of the financial statements will also be selected for testing.

Based on our review of the financial statements of the Nevada Irrigation District, we anticipate that our primary areas of audit focus will be:

- Financial reporting requirements
- Impact of new GASB accounting standards
- Fund balance classification
- Revenue recognition
- Valuation of accounts and loans receivable
- Valuation of capital assets
- Valuation of OPEB liabilities
- Expense and accrual timing
- Long-term debt reporting

#### Preparation of Audit Report and Review — Year-end Phase and Wrap-up Phase

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The manager and engagement partner review audit workpapers throughout the audit. Before we leave your offices, the file will be substantially reviewed and any issues will be discussed and resolved. All reports are reviewed by the engagement partner and concurring partner.

Upon approval, we will issue drafts of all reports based on the District's predetermined schedule as indicated in the Request for Proposal. This will allow adequate time for review and distribution of the report.



## INFORMATION TECHNOLOGY AND COMMUNICATION

### Technological Advantages — Electronic Data Processing Software

We utilize the latest technology, including virtual servers, data analysis software, and online libraries, to provide us with the most up-to-date information to better serve our clients. First, our online client portal Suralink gives us the capability of sending and receiving information to and from our clients faster and more securely. As portals are encrypted and use password protection to ensure that only the appropriate client can view data, we are dedicated to protecting the District's confidential information.

We streamline our audit process and organize support documents through use of the paperless audit program-CaseWare Working Papers. By effectively reviewing large volumes of data through these programs, we are able to develop a better understanding and gain a broader view of the District. These technologies enable us to increase both the scope of our engagement and the reliability of our audit opinion more efficiently, as a larger amount of information can be processed, analyzed and interpreted in a short time frame.

### Remote Audit Capabilities

We are committed to serving our clients and meeting their deadlines regardless of the current health and social challenges. If public health concerns, client concerns or other issues restrict our team from performing the audit in-person at your offices, MUN CPAs has the technological capabilities and solutions to perform the full audit remotely and complete the audit according to your District's needs and timelines. With the use of our secure Suralink website, management of the Nevada Irrigation District will be able to securely provide MUN CPAs with all needed documents and reports. The use of encrypted e-mails will be used to transmit smaller documents. Scheduling regular phone and video calls and audit updates will allow both management of the District and MUN CPAs to remain on the agreed-upon timeline.

### Protecting Our Client Data

MUN CPAs takes client data security seriously and has implemented a robust and redundant infrastructure that complies with recommendations of industry leaders and the IRS. An independent security contractor conducts biannual penetration audits and the firm is fully covered by our cyber insurance policy. MUN CPAs employs daily redundant backups of all data off-site at two secure locations. Our system is protected by the latest AI-based antivirus solution that actively learns from real world threats instead of relying on outdated lists, and our next generation firewall, combined with three independent email and attachment scans, protects our communication from hackers and other malicious actors. Sensitive client data containing personally identifiable information is transferred via the same 256-bit SSL encryption that banks use. Firm staff is trained upon hire and again annually on the newest, best practices in internet security and tested monthly with various social engineering scenarios.

### Communication

Planning and continual communication are essential to developing the appropriate procedures, working collaboratively to resolve any identified issues, and meeting your timelines. We will communicate contemporaneously and directly with management and audit committees of the board regarding results of our procedures, and will anticipate and respond to any concerns of management and the committee.

Although our audits are conducted through a structured, risk-based model, we focus on understanding the client's needs, requirements and expectations. We work collaboratively with management, boards and audit committees to develop a communication and work plan to continuously improve client service.



**Partner and Manager Availability**

We believe your access to the partner and manager before, during and after the audit is important to the relationship between the District and our Firm. The partner and/or manager will be on-site during the audit in order to discuss issues with management of the District. We encourage our clients to call us throughout the year to discuss accounting matters as they arise. There are no additional charges for these routine phone calls.

We believe on-going communication throughout the entire audit will ensure that all aspects of the audit are thoroughly addressed. We encourage regular communications throughout the year, not just during fieldwork. As such, we do not anticipate any potential audit problems to arise during our engagement.



## EXPERIENCE

**MUN CPAs** is a locally established and respected full service accounting and auditing firm offering governmental, special district and regional audits, as well as tax, consulting, litigation support, and forensic accounting services. Our commitment to our clients has enabled the firm continued growth and success at developing and maintaining strong professional relationships. We have over 60 well-trained professionals with office locations in Sacramento, Roseville, South Lake Tahoe, and Glendale, California, as well as Hawaii.

### *Sacramento Office*

Audit engagements are performed primarily out of the Sacramento office. We have an outstanding team of fourteen audit professionals consisting of three firm partners, three managers, three seniors and five staff accountants. Five full-time staff members will be dedicated to the Nevada Irrigation District should services be awarded to our firm. In addition to auditing, reviews and compilations, we also provide accounting, tax and consulting services to our audit clients.

We specialize in audits of local special districts and governmental agencies ranging from small organizations to entities with over \$200 million in annual revenue. We also specialize in retirement plans and nonprofit organizations. We are voluntary members of the following organizations:

- Government Audit Quality Control Center
- Government Finance Officers Association
- California Special Districts Association
- Association of California Water Agencies
- California Municipal Treasurers Association
- California Society of Municipal Finance Officers

Membership in these centers provides our firm with additional resources designed to enhance our audit quality and apply best audit practices to our engagements. We have access to the latest developments in accounting, auditing, and the various rules and regulations that affect the different audits and industries.

### Governmental Auditing Experience

Since our founding in 2003, our office has performed over 250 audits of special districts and governmental entities. We have provided audit services for several other special districts that are similar to that which is requested by the Nevada Irrigation District. We currently provide audit services to 23 governmental entities, of which 12 are special districts. We also perform Single Audits for 28 of our clients. **Every level of our audit staff has extensive experience in auditing special districts and municipalities.**

### GASB Implementation and Reporting

All audit partners and managers have been involved in the implementation of GASB financial reporting requirements, in addition to auditing and assisting with the preparation of GASB financial statements. In addition to auditing and assisting with the preparation of GASB financial statements, all audit partners and managers have provided hands-on assistance with implementation of new GASB financial reporting requirements. Our firm is a leader in implementation of the new GASB standards going into effect in the coming years.

### Annual Comprehensive Financial Report Experience (ACFR)

All management staff assigned to this audit has extensive experience in the preparation of ACFRs. Ten of our governmental clients require our Firm to prepare and organize the Annual Comprehensive Financial Report as part of their scope of services. **Every report submitted has won the GFOA Certificate of Achievement for Excellence in Financial Reporting.**



**Specialized Services**

Our firm has provided specialized services to governmental entities that include, but are not limited to, the following:

- State Controller Report preparation
- Tax Measure Agreed-Upon procedures
- Cash Collections Agreed-Upon procedures
- TDA audits
- Forensic audits
- Internal control special projects

**Client Education and Updates** —We provide one-on-one guidance and assistance to our clients with the preparation of GASB financial statements, as well as hands-on assistance with implementation of new **GASB** financial reporting requirements and State and Federal updates. *Our firm is a leader in the new GASB standards going into effect in the coming years.*

Our partners have provided webinars and seminars sponsored by the CSFMO, CSDA and League of California Cities, with topics ranging from GASB 68 and 75, fraud, and preparing for annual audits. Partner Justin Williams presented on the topic **“GASB Reporting Requirements and Their Effect on Your District”**, **“Assessing the Financial Health of Your District”** and **“Financial Management for Special Districts”** at various CSDA conferences and workshops.

**Board/Finance Committee Training**

Our job doesn’t stop when we issue your audited financial statement reports. While these reports may be intimidating to interpret, we can help. Our firm offers training to help you understand what the audit report means for the District. We can show you how to read the financial statements and how to use that information to analyze and evaluate the District’s financial performance. We have certified professionals who are happy to further talk to you regarding various topic options that can be presented.

**REFERENCES**

MUN CPAs has provided audit services for several other Special Districts that are similar to that which is requested by the Nevada Irrigation District. Below are current clients who can attest to our services and work performed on their behalf. We welcome the District to contact any of our clients as references listed below.

Clients	Contact Information	Services
South Tahoe Public Utility District (530) 543-6211	Paul Hughes Chief Financial Officer phughes@stpud.dst.ca.us	<ul style="list-style-type: none"> <li>• District audit</li> <li>• ACFR*</li> <li>• Single audit</li> <li>• GANN Limit</li> </ul>
Diablo Water District (925) 625-3798	Jennifer McCoy Finance & Accounting Mgr. jlester@diablowater.org	<ul style="list-style-type: none"> <li>• District audit</li> <li>• State Controller’s Report</li> </ul>
Ironhouse Sanitary District (925) 625-2279	Chad Davisson General Manager Davisson@isd.us.com	<ul style="list-style-type: none"> <li>• District audit</li> <li>• ACFR*</li> </ul>

**\*GFOA Certificate of Achievement for Excellence in Financial Reporting received for ACFRs submitted.**





## QUALIFICATIONS

The team assigned to perform the audit of the Nevada Irrigation District is composed of highly trained professionals with extensive experience in governmental audit engagements. Our small, efficient working group will maintain a knowledgeable, yet non-intrusive, approach to the audit, and in this way, deliver an audit of exceptional quality requiring few disruptions in the conduct of the District's on-going operations. Engagements at MUN CPAs are conducted under the supervision of an engagement partner and manager, which assures that quality standards are maintained and all client requirements are met.

We propose the following audit team:

JUSTIN WILLIAMS, CPA, Engagement Partner  
ERICA PASTOR, CPA, Concurring Partner  
AARON BLANKENSHIP, CPA, Manager  
JUAN DIAZ CPA, Senior Staff Accountant

All assigned staff are properly licensed for public practice as a Certified Public Accountant in the State of California.

No sub-consultants will be used in our engagements.

### Professional Affiliations

Our commitment to governmental accounting is further strengthened by our involvement with respected organizations.

**Justin Williams** is a member of the statewide CalCPA Governmental Accounting and Auditing Committee, and the California Special Districts Association Audit Committee and Finance Committee. He has also published accounting and auditing articles and has been a speaker at webinars and seminars sponsored by these organizations with topics including GASB 68 and 75, fraud, and preparing for annual audits. **Erica Pastor** is Past Board President and Board Member of CalCPA-Sacramento Chapter, and a member of the statewide CalCPA Governmental Accounting & Auditing Committee. She is also a member of the **GFOA Certificate of Achievement for Excellence in Financial Reporting Program**, and is frequently asked to review submitted financial statements.

### GASB Implementation and Reporting

All audit partners and managers have been involved in the implementation of GASB financial reporting requirements, as well as auditing and assisting with the preparation of GASB financial statements. Our firm is a leader in implementation of the new GASB standards going into effect in the coming years.

### Quality of Staff

MUN CPAs staff training and professional development program ensures the staff assigned to the audit of the Nevada Irrigation District will maintain the highest levels of professional understanding of the issues impacting the Nevada Irrigation District. All professional staff at MUN CPAs, from a brand-new staff associate to a seasoned senior manager, undergo a formal mid-year and year-end performance evaluation process. Our formal evaluation process is designed to provide constructive feedback to continue the professional growth and development of our staff, as well as provide guidance and assistance to allow staff to achieve their professional goals. In between formal evaluations, staff receive informal feedback on specific audit engagements. Finally, our formal staff training program ensures that our audit staff at all levels receive targeted training classes to meet governmental auditing standards, as well as to keep up-to-date on current issues and challenges impacting governmental entities.



**Continuing Education**

Continuing education is a top priority for MUN CPAs. Each of our team members receives a wide variety of annual training and content updates from highly qualified instructors, ensuring that they remain on the forefront of issues that could potentially impact our clients.

Individuals who work on audits subject to Government Auditing Standards must obtain, every two years, at least 80 hours of CPE that directly enhance the auditor’s professional proficiency to perform audits and/or attestation engagements. At least 20 of the 80 hours must be obtained annually. Individuals responsible for conducting substantial portions of the fieldwork, planning, directing, or reporting on audits subject to Government Auditing Standards must obtain 24 of those hours in subjects directly related to the government environment and government auditing.

**Staff Consistency**

We understand that the best way to provide the Nevada Irrigation District with responsive, quality services is to assign the most qualified individuals to the engagement and maintain continuity of staff on successive engagements. We are committed to maintaining the same staff assigned in this proposal on subsequent engagement years.

Our Firm takes great pride in not only selecting high quality staff members, but also providing them an environment designed for their success and betterment.

We believe staff continuity on engagements is essential to that engagement being successful. Our Firm’s mission statement reads:

*To provide responsive, innovative services of the highest quality to our clients; and to provide a positive, rewarding environment encouraging our employees to fulfill their professional and personal goals.*



**JUSTIN WILLIAMS, CPA**

Engagement Partner

Justin's professional career includes more than 24 years of public and private accounting experience, of which 22 years has been heavily concentrated on audits of governmental entities throughout Northern California. He has been extensively involved with the California Special Districts Association, providing workshops and webinars to the association members throughout the year.



- INDUSTRY EXPERIENCE:** Special Districts  
Municipalities  
Nonprofit organizations  
Privately held businesses  
Retirement / employee benefit plans
- OTHER EXPERTISE:** GASB implementation  
Board of Directors training  
Federal and State compliance and financial reporting  
Fraud investigations  
Internal control implementation  
Peer reviews
- RELEVANT ENGAGEMENT EXPERIENCE:** Diablo Water District  
South Tahoe Public Utility District  
Tahoe City Public Utility District  
Ironhouse Sanitary District  
South Placer Municipal Utility District  
Greater Vallejo Recreation District  
Kensington Fire Protection District  
Town of Truckee  
City of Novato  
City of Sanger  
City of Lincoln
- DESIGNATIONS:** Certified Public Accountant (CPA)
- PROFESSIONAL MEMBERSHIPS:** American Institute of Certified Public Accountants  
California Society of Certified Public Accountants  
GFOA Budget Awards Program  
CSDA Audit Committee Member  
CSDA Finance Committee Member  
National Institute of Pension Administrators, Sacramento Chapter
- EDUCATION:** Bachelor of Science, Accounting  
Case Western Reserve University – Cleveland, Ohio





**ERICA PASTOR, CPA**  
Concurring Partner

Erica has eighteen years of public accounting experience and has spent over thirteen of those years with MUN CPAs. Erica has extensive experience serving government clients and is a leader in her vocation; she is past President and Board Member of CalCPA – Sacramento.



**INDUSTRY EXPERIENCE:** Special Districts  
Municipalities  
Nonprofit organizations  
Privately held businesses

**OTHER EXPERTISE:** GASB implementation  
Reviewed and compiled financial statements  
Agreed-upon procedures  
Audit committee training  
Annual Comprehensive Financial Reports  
Internal control implementation  
Federal Single Audit Grant compliance  
Grants and contracts compliance

**RELEVANT ENGAGEMENT EXPERIENCE:** Santa Nella County Water District  
Tahoe City Public Utility District  
Vallejo Flood and Wastewater District  
Yolo County Flood Control & Water Conservation District  
Sacramento-Yolo Mosquito & Vector Control District  
City of Auburn  
City of Lincoln  
City of Rio Vista  
City of Piedmont  
City of Hollister  
City of Novato  
City of Sanger

**DESIGNATIONS:** Certified Public Accountant (CPA)

**PROFESSIONAL MEMBERSHIPS:** American Institute of Certified Public Accountants  
CalCPA Governmental Accounting & Auditing Committee, Sacramento  
Chapter Chair  
CalCPA, Sacramento Chapter, Past President and Board Member  
GFOA Special Review Committee member

**EDUCATION:** Bachelor of Science, Managerial Economics  
UC Davis – Davis, California  
Certificate of Accountancy  
National University – Sacramento, California



**AARON BLANKENSHIP, CPA**  
Manager

Aaron has eight years of public accounting experience and provides audit services to a wide range of industries with a focus on governmental, nonprofit, and closely held companies. As audit manager, Aaron will be responsible and will coordinate the planning and implementation of audit processes, including daily supervision and technical support of the audit. He will work closely with District Staff to ensure issues are identified and addressed and that the delivery of services is timely and day-to-day audit functions are performed in an efficient manner.



- INDUSTRY EXPERIENCE:** Special Districts  
Municipalities  
Nonprofit organizations  
Closely held companies
- OTHER EXPERTISE:** Internal control evaluation  
Accounting services  
Exempt organization annual filing requirements  
Single audit compliance  
Grants and contracts compliance
- RELEVANT ENGAGEMENT EXPERIENCE:** North Tahoe Public Utility District  
Tahoe City Public Utility District  
South Placer Municipal Utility District  
Rodeo Sanitary District  
Ironhouse Sanitary District  
Kensington Fire Protection District  
Tahoe-Truckee Sanitation Agency  
Town of Paradise  
City of Hollister  
City of Rio Vista
- DESIGNATIONS:** Certified Public Accountant (CPA)
- PROFESSIONAL MEMBERSHIPS:** American Institute of Certified Public Accountants  
California Society of Certified Public Accountants
- EDUCATION:** Masters of Science, Accounting  
University of Texas at Dallas - Richardson, TX
- Bachelor of Science in Accounting  
University of Texas at Dallas - Richardson, TX



**JUAN DIAZ, CPA**  
Senior Staff Associate

Juan has three years of public accounting experience and is our newest CPA. He provides audit services to a wide range of industries, including nonprofit, governmental, retirement plans, and closely held companies. In his role, Juan handles specific stages of audit work, ensures work is prepared in compliance with professional standards, and detects exceptional items and issues of non-compliance.



**INDUSTRY EXPERIENCE:** Governmental agencies  
Nonprofit organizations  
Retirement plans  
Closely held companies

**OTHER EXPERTISE:** Internal control evaluation  
Accounting services  
Inventory observations  
Single Audit compliance  
Grants and contracts compliance

**RELEVANT ENGAGEMENT EXPERIENCE:** Ironhouse Sanitary District  
Santa Nella County Water District  
Tahoe City Public Utility District  
Rodeo Sanitary District  
Town of Truckee  
City of Gridley  
City of Hollister  
City of Novato  
City of Piedmont  
City of Auburn  
City of Sanger

**DESIGNATIONS:** Certified Public Accountant (CPA)

**PROFESSIONAL MEMBERSHIPS:** American Institute of Certified Public Accountants  
California Society of Certified Public Accountants

**EDUCATION:** Bachelor of Science, Business Administration  
Sonoma State University



## SCHEDULE

Upon approval, we will issue drafts of all reports based on a predetermined schedule allowing adequate time for review and distribution of reports. The following is a proposed tentative audit schedule. The actual audit timeline would be agreed to and finalized between MUN CPAs and the Nevada Irrigation District upon appointment as your CPA audit firm:

Audit Task	Completed by:
Audit Planning and Interim fieldwork	April 30th
Audit fieldwork	May 31st
Post-fieldwork wrap up & financial statement preparation	June 15th
Draft reports and letters to District management	June 30th
Final financial statements and letters issued	July 31st
Presentation of final reports to NID Board	July 31st



## COST PROPOSAL

In accordance with the Request for Proposal for Audit Services issued by the Nevada Irrigation District, we hereby submit the following Fee Proposal for the fiscal year ending December 31, 2021 with the option to renew the contract for the fiscal years ending December 31, 2022 through December 31, 2025:

### ALL-INCLUSIVE "NOT TO EXCEED" PRICE BY SERVICE

Audit Service	12/31/21	Optional 12/31/22	Optional 12/31/23	Optional 12/31/24	Optional 12/31/25
District Audit and Related Reports	\$49,200	\$49,200	\$49,200	\$49,200	\$49,200
State Controller's Report	4,000	4,000	4,000	4,000	4,000
Report on Internal Controls over Financial Reporting	Included	Included	Included	Included	Included
Management Letter	Included	Included	Included	Included	Included
Present Audit Findings to District Board	Included	Included	Included	Included	Included
Routine Calls with Management	Included	Included	Included	Included	Included
Out-of-Pocket Expenses	Included	Included	Included	Included	Included
<b>TOTAL (NOT-TO-EXCEED)</b>	<b>\$53,200</b>	<b>\$53,200</b>	<b>\$53,200</b>	<b>\$53,200</b>	<b>\$53,200</b>

### Professional Fees for Additional Services:

MUN CPAs may also furnish other accounting services, which may include advisory and system accounting services as requested by the Nevada Irrigation District. If the District requests additional services, either to supplement the services requested or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the District and MUN CPAs. Any such additional work agreed to between the District and MUN CPAs shall be performed at the standard hourly rates listed below.

Staff Level	Standard Hourly Rate
Partners	\$280
Managers	195
Senior Staff	165
Staff	135

## COPY OF ANNUAL COMPREHENSIVE ANNUAL REPORT

Please click on the link below to review a copy of one of our District Annual Comprehensive Annual Reports:

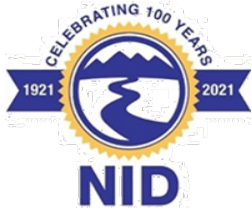
[Sample ACFR](#)





MANN • URRUTIA • NELSON CPAs & ASSOCIATES, LLP

[WWW.MUNCPAS.COM](http://WWW.MUNCPAS.COM)



NEVADA IRRIGATION DISTRICT  
(Est. 1921)

**CONSULTING SERVICES AGREEMENT**

**Financial Auditing Services (10135 - 52603)**

This AGREEMENT, made and entered into this \_\_\_\_ day of October, 2021 by and between NEVADA IRRIGATION DISTRICT, hereinafter referred to as the "DISTRICT", whose address is 1036 W. Main Street, Grass Valley CA 95945, and MUN CPAs & Associates, LLP, hereinafter referred to as the "CONSULTANT", whose address is 1760 Creekside Oaks, Dr. Suite 160 Sacramento, CA 9583. DISTRICT and CONSULTANT may also be referred to each as a "Party" or collectively as "Parties."

**WITNESSETH**

WHEREAS the DISTRICT requires consulting services in financial auditing for the fiscal year 2021 financial audit with option to contract for 2022, 2023, 2024, and 2025 (the "Project"); and

WHEREAS CONSULTANT has the necessary experience to assist DISTRICT by providing financial auditing services as outlined in the scope of work for the Project; and

WHEREAS the CONSULTANT, on August 27, 2021, submitted to DISTRICT a proposal to provide such consulting services (the "Proposal"); and

WHEREAS CONSULTANT's proposal provides detailed information on the general approach to be followed by the CONSULTANT, including the scope of work, personnel to be assigned to the work, sub-consultants, a budget, and a schedule of completion; and

WHEREAS the CONSULTANT will ensure that the personnel assigned to the Project will possess the necessary expertise, experience and qualifications to qualify as experts in the field as an independent Certified Public Accountant.

WHEREAS, DISTRICT wishes to engage the services of CONSULTANT in accordance with the Proposal.

**NOW, THEREFORE**, the DISTRICT and the CONSULTANT, for the consideration hereinafter named, agree as follows:

ARTICLE I - CONSULTANT'S SERVICES: The CONSULTANT shall perform services requested by the DISTRICT as directed by EXHIBIT A under Scope of Services.

ARTICLE II - CONSULTANT'S FEE: For services performed under EXHIBIT A, the CONSULTANT shall be compensated in accordance with the compensation schedule set forth in EXHIBIT B.

Compensation shown on EXHIBIT B will remain in effect over the life of this agreement. If a change in hourly charges occurs, the CONSULTANT will file with the DISTRICT the updated charges for DISTRICT approval. CONSULTANT shall provide not less than thirty (30) days advance notice of the effective date of such changes. Any changes to be applied to outstanding fees shall



not be effective unless approved by DISTRICT. The DISTRICT shall not unreasonably withhold or delay approval of reasonable changes. Nothing in this Paragraph shall limit DISTRICT's rights to terminate this AGREEMENT without cause under ARTICLE V. Notwithstanding the foregoing, changes in the compensation schedule shown in EXHIBIT B will not be made more frequently than annually.

ARTICLE III - PAYMENT FOR SERVICES: For services performed under a not-to-exceed basis, the CONSULTANT will invoice the DISTRICT on a monthly basis. Invoices for payments covered by not-to-exceed shall include, along with the current billing amount, the total amount billed previously, and the amount remaining on the not-to-exceed amount. CONSULTANT shall submit invoices monthly and within 30 days of performing services.

Payment to the CONSULTANT is due and payable upon submission of each invoice. Payment shall be made within 30 calendar days after the date of the invoice is received and accepted by the DISTRICT.

ARTICLE IV - COMPLETION OF SERVICES: The CONSULTANT agrees that CONSULTANT will do all work within the time required of CONSULTANT as set forth in EXHIBIT A Scope of Services, but it is agreed between the parties to this AGREEMENT that the CONSULTANT cannot be responsible for delays occasioned by factors beyond CONSULTANT's control. Delays caused by actions or inactions of CONSULTANT's employees, or sub-consultants or suppliers to CONSULTANT shall not, in and of themselves, be considered factors outside the control of CONSULTANT.

ARTICLE V - TERMINATION OF AGREEMENT: The DISTRICT may terminate this AGREEMENT without cause by giving 15-days' written notice to CONSULTANT provided, however; the CONSULTANT shall be compensated for all work done to the date of the termination, computed on a time-and-material cost basis beginning from the last paid invoice. Nothing herein shall deprive DISTRICT of its right to set off its damages against amounts claimed by CONSULTANT in the event of termination for cause.

All work accomplished prior to termination shall be the property of, and be given to, the DISTRICT. If no notice of termination is given, relationships and obligations created by this AGREEMENT shall be terminated upon completion of the applicable requirements of this AGREEMENT, including provision of all deliverables, whether draft or final, in electronic and paper form, required under the Agreement. Final payment can be withheld until all deliverables are provided.

ARTICLE VI - CONSULTANT'S RESPONSIBILITY AND STANDARD OF CARE: The CONSULTANT agrees that CONSULTANT's services shall be performed to the standard of an expert in the field for which CONSULTANT was retained. Notwithstanding the foregoing, the parties agree that estimated construction costs furnished by the CONSULTANT are estimates only, and the CONSULTANT is not retained to provide a guaranteed cost of construction and is not responsible for fluctuations in cost factors.

CONSULTANT shall at all times employ qualified, experienced, employees and sub-consultants in the performance of this AGREEMENT. CONSULTANT will be responsible for compliance with all applicable laws, rules and regulations governing the employment of personnel engaged by CONSULTANT, including personnel employed by any of CONSULTANT's sub-consultants, including without limitation the payment of prevailing wages on public works projects, if applicable. Nothing herein shall restrict CONSULTANT from contesting the determination of the State of California regarding the applicability of such laws.



ARTICLE VII - EXPERT TESTIMONY: It is agreed that, in the event of any legal or other controversy where the DISTRICT requests the services of the CONSULTANT in providing expert testimony in connection with this project, except to the extent such suits or claims by third parties against the DISTRICT arise out of errors or omissions of the CONSULTANT, the DISTRICT shall pay the CONSULTANT for expert witness services and testimony rendered in regard to such legal or other controversy, including costs of preparation for the controversy, on a time-and-material basis in addition to other sums of money payable under this AGREEMENT.

ARTICLE VIII - CONFIDENTIALITY: All deliverables, whether in electronic or other form, and other written and electronic work or related material provided by CONSULTANT that is required by the DISTRICT to interpret and fully use such deliverables shall be considered the unrestricted property of the DISTRICT. No deliverables or other material provided by CONSULTANT shall be considered confidential absent the prior approval of the General Manager. If either party discloses information that has been agreed to be kept confidential, and such information is clearly identified in writing as proprietary or confidential, the party receiving such information shall keep it in confidence and shall not furnish or otherwise disclose it to any third party during or after completion of the services. No information shall be designated as confidential, and neither party shall be obligated to maintain the confidentiality of such information, if:

- i. The information is independently developed by the receiving party without the utilization of the confidential or proprietary information;
- ii. The information is or becomes public knowledge without the fault of the receiving party;
- iii. The information is or becomes available to the receiving party from another source without any legal obligation to protect such information; or
- iv. The information is considered a public record under the California Public Records Act or is otherwise disclosed pursuant to a governmental or legal requirement.

ARTICLE IX – INDEPENDENT CONTRACTOR: CONSULTANT enters into this AGREEMENT as an independent contractor and not as a DISTRICT employee. Nothing in this AGREEMENT shall be inconsistent with this relationship or status.

ARTICLE X – INDEMNIFICATION AND DEFENSE: CONSULTANT shall indemnify and hold District harmless against claims, liability, or loss for injury or death to person, destruction or damage to or loss of use or diminution in value of property, injury to the environment, economic loss, or fines or penalties, and for associated legal costs, fees, and expenses including attorney and consultant fees, arising out of or relating to CONSULTANT's services (Claims).

This duty to indemnify shall not extend to Claims to the extent caused by the willful misconduct or active negligence of District. In such case, the obligation to indemnify shall be reduced proportionately by the percentage to which District's willful misconduct or active negligence caused, or contributed to the cause of, the Claim. This duty to indemnify shall extend to Claims by any employee of CONSULTANT or its subcontractors or suppliers.

In addition to and separate from its duty to indemnify, CONSULTANT shall defend District against suits, actions, or proceedings founded upon Claims. This duty to defend arises upon the commencement of the suit, action, or proceeding founded upon Claims and exists irrespective of any obligation of CONSULTANT to indemnify.

CONSULTANT's duties to indemnify and defend are not limited in scope or amount to insurance required by this Agreement.

CONSULTANT's duties to indemnify and defend shall survive the completion of the CONSULTANT's work.

ARTICLE XI – INSURANCE: CONSULTANT shall procure and maintain the insurance coverage as set forth in EXHIBIT C, attached herewith, and CONSULTANT shall provide a Certificate of Insurance to DISTRICT within 14 days of execution of this Agreement, naming DISTRICT as Additional Insured, for the term of this Agreement.

ARTICLE XII - ADDITIONAL PROVISIONS: Any and all alterations, modifications, changes, or additions to the terms and provisions of this AGREEMENT that may affect the liability, duties, or responsibilities of either Party hereto is not valid and shall not be effective without first receiving written consent to such change, alteration, modification, or addition from the other Party.

ARTICLE XIII – PROPRIETARY DATA: All information, data, or systems (“work”) will be provided such that they will stand alone, such that the work does not require purchase of other information, programs, or systems necessary for the unrestricted use of the work to meet the needs of the DISTRICT. CONSULTANT shall advise DISTRICT in advance of undertaking any work if any propriety system is to be used by CONSULTANT. If such notice is not given, the system, programs, or method used by the CONSULTANT shall not be deemed proprietary. If a propriety system is used, a minimum of one copy of the information or program will be provided with the contract unless DISTRICT already has the system or more than one copy is provide with the contract.

ARTICLE XIV – MARK UP AND REIMBURSEMENTS: If a markup is to be applied to reimbursements and overhead as part of CONSULTANT's proposal, CONSULTANT will be compensated for such reimbursement and overhead markup applied to direct or indirect expenses as shown below:

(a) DISTRICT will pay a maximum of 5-percent markup, including markup applied to any contract for sub-contractors, or unless a lower markup is specified in the proposal. This 5- percent is not cumulative in that the DISTRICT will not pay markup on mark up. Bids/proposals shall provide these costs in the bid/proposal provided to the DISTRICT. If such costs are not included at that time, they shall not be charged during the course of the work.

(b) DISTRICT will not pay CONSULTANT for out of pocket expenses such as local travel, mileage, car rental, meals, phone calls, data management, and other overhead incidentals unless specifically accepted as part of the proposal costs. DISTRICT will pay for reproducing of documents, copying costs, postage, and courier delivery (requested by DISTRICT) at the rate and quantity described in the Proposal, or reimbursed for the actual out-of-pocket expenses, without mark-up, if not included in the Proposal.

(c) The DISTRICT will not pay for any equipment or equipment rental needed to complete the work such as GPS units, survey equipment, and computers.

(d) Products purchased or provided by the CONSULTANT at the DISTRICT's request such as software, hardware and supplies will be billed at cost plus applicable shipping, handling, and taxes, without markup.

ARTICLE XV – NOTICES: Any notice required to be given by one Party to the other Party shall be sufficient if given in writing, mailed via registered or certified mail, postage prepaid, addressed as respectively indicated, or at such other place as the applicable party may from time to time designate by written notice. Notice shall be deemed given upon deposit in the US Mail.

A. To the CONSULTANT addressed to:

Justin Williams, Partner  
MAN CPAs & Associates, LLP  
1760 Creekside Oaks, Dr., Suite 160  
Sacramento, CA. 95833

B. To the DISTRICT addressed to:

Jennifer Hanson, General Manager  
Nevada Irrigation District  
1036 West Main Street  
Grass Valley, CA 95945-5424

ARTICLE XVI - SUCCESSORS AND ASSIGNS: CONSULTANT agrees and understands that DISTRICT is retaining the services of CONSULTANT based on the unique experience and expertise of CONSULTANT and the professional experience and expertise of the personnel, including sub-consultants, who CONSULTANT has advised DISTRICT will be assigned to the Project. CONSULTANT has studied the project as part of its proposal and commits that it has the staff and resources to complete the Project. Therefore, CONSULTANT shall not assign its interest in this AGREEMENT, nor voluntarily change, reassign, or redeploy those key personnel and sub-consultants assigned to the Project, without the express, prior approval of DISTRICT, which approval shall be within the DISTRICT's sole and unlimited discretion. Subject to such rights of the DISTRICT and the limitations on assignment by CONSULTANT, this AGREEMENT shall be binding upon the heirs, successors, executors, administrators, and assigns of DISTRICT and CONSULTANT. No assignment by CONSULTANT shall relieve CONSULTANT of its obligations hereunder without the express, written release, of DISTRICT.

ARTICLE XVII – MERGER: This Agreement constitutes the final agreement between the parties. It is the complete and exclusive expression of the parties' agreement on the matters contained in this Agreement. All prior and contemporaneous negotiations and agreements between the parties on the matters contained in this Agreement are expressly merged and superseded by this Agreement. In entering into this Agreement, neither party has relied upon any statement representation, warranty, or agreement of the other party except for those expressly contained in this Agreement.

ARTICLE XVIII – AMENDMENT: The Parties may not amend this Agreement, except by written agreement of the parties.

ARTICLE XIX - QUALITY ASSURANCE: All materials, including documents, drawings, and maps prepared by CONSULTANT shall be of the highest professional quality and standard. CONSULTANT shall proofread all documents to be delivered to DISTRICT, and shall ensure, without limitation, that such materials are free of spelling, grammar, punctuation, and syntax errors. If CONSULTANT fails to deliver error-free materials, DISTRICT reserves the right to identify revisions and require the CONSULTANT to revise and resubmit the document to the DISTRICT for further review. None of the costs for corrections or resubmittal, such as labor and printing, shall be charged to the DISTRICT.

ARTICLE XX – HANDLING OF PROJECT RELATED INFORMATION: CONSULTANT and its subcontractors or employees shall not promote, distribute, or present materials or information concerning this project without the expressed permission of the General Manager or his assigns. Requests for information on this project shall be approved by the DISTRICT prior to release.

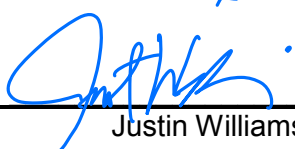
ARTICLE XXI - CYBER SECURITY REQUIREMENTS: CONSULTANT shall protect the confidentiality and integrity of designated Sensitive Information at all times including during storage, transit, and use. As used in this EXHIBIT, Sensitive Information means any of the

following: (a) information that could be used to gain unauthorized access or pose a security threat to DISTRICT's control networks and cyber devices or jeopardize the reliable operation of DISTRICT's bulk electric assets; (b) any information marked by DISTRICT as Sensitive or otherwise identified as Sensitive; and (c) information treated by District as Sensitive. Sensitive Information may exist or be contained in a variety of forms and formats, including but not limited to, computer or web-based information, paper, hard drives, removable storage media (e.g. external hard drives, thumb drives, etc.) word documents, spreadsheets, network diagrams, and physical security diagrams or any copies or replications thereof. Any information will be considered Sensitive Information and shall receive such treatment until such time that an appropriate DISTRICT representative provides assurance that such information is not Sensitive Information. Upon termination of this AGREEMENT, or at any time upon DISTRICT request, the CONTRACTOR shall return or document the secure destruction of DISTRICT data, including Sensitive Information. The CONSULTANT shall ensure CONSULTANT employees and subcontractors take all necessary measures to prevent the unauthorized disclosure of Sensitive Information.

IN WITNESS WHEREOF, the parties hereto have executed, or caused to be executed by their duly authorized officials, this AGREEMENT, on the respective dates indicated below.

**CONSULTANT:**

**DISTRICT:**

By  \_\_\_\_\_  
Justin Williams, Partner

By \_\_\_\_\_  
Jennifer Hanson, General Manager  
Nevada Irrigation District

Date 10/6/2021 \_\_\_\_\_

Date \_\_\_\_\_

\*CONSULTANT shall attach a Corporate Resolution authorizing an individual to execute agreements on behalf of a corporation. CONSULTANT shall also attach a current IRS Form W-9 providing an Employer Identification Number (EIN) and/or Social Security Number (SSN) if sole proprietor.

EXHIBIT A

**CONSULTING SERVICES**

**Financial Auditing Services (10135 - 52603)**

The DISTRICT hereby requests and authorizes the CONSULTANT to perform the following services:

SCOPE OF SERVICES:

Your services should include those that can be reasonably anticipated for developing a Comprehensive Annual Financial Report (CAFR) that meets the criteria of the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting Program.

**A. Services Provided**

- a. Perform an audit in accordance with Generally Accepted Auditing Standards (GAAS) in the United States and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.
- b. Express an opinion on the financial statements as to whether they present fairly, in all material respects, the financial position of the District and the changes in financial position in conformity with generally accepted accounting principles (GAAP), and issue an independent auditors' report stating this opinion.
- c. Test internal controls over financial reporting and compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters, in accordance with Government Auditing Standards, and issue a report on their consideration.
- d. Apply limited procedures related to the Required Supplementary Information (RSI), Management's Discussion and Analysis (MD&A), budgetary comparison information, and the Supplementary Information.
- e. Prepare the District's Annual Report of Financial Transactions of Special Districts to the State Controller's Office and submit them including a copy of your auditor's report to the District and the State Controller by required deadlines.
- f. Prepare report to the Board of Directors and Management which identifies internal control deficiencies, significant deficiencies, and material weaknesses, if any, and your recommendations for improvements in accounting and administrative controls.
- g. Be in attendance and available to discuss annual financial statements and results of operations to the Board of Directors during one of the Board of Director meetings.

## EXHIBIT A

h. Communicate immediately and in writing all irregularities and illegal acts, or indications of illegal acts, of which they become aware, to the General Manager and the Finance Manager.

i. Provide general consultation as required, during the year, on financial accounting and reporting matters.

j. Retain at auditor's expense audit working papers for three (3) years, unless the firm is notified in writing by the District's need to extend the retention period. In addition, the firm shall respond to reasonable inquiries of the District and successor auditors and allow the District and successor auditors to review working papers relating to matters of continuing accounting significance.

k. No extended services will be performed unless authorized in the contractual agreement or in an amendment to the agreement. The District is seeking to engage an audit firm for fiscal year 2021 records. Although the term of the proposed agreement is for only one year, the District desires to retain the independent auditor for additional years if satisfactory terms of renewal can be negotiated. The Board of Directors has a practice of changing auditors approximately every 5 years.

### **B. Audit Report Requirements**

1. The audit report will be prepared by the selected external auditor.

2. The auditor's report relating to the examination of the business-type activities of the District's basic financial statements must (a) state the scope of the examination and that the audit was performed in accordance with generally accepted auditing standards and (b) must include an opinion as to whether the statements conform to generally accepted accounting principles.

3. The audit report shall include at least the auditor's report on the study and evaluation of the internal control structure. It must identify the organization's significant internal accounting controls. This report must identify the controls not evaluated, and the material weaknesses identified as a result of the evaluation.

4. A management letter that includes a statement of audit findings and recommendations affecting the financial statements, internal control structure, accounting procedures, accounting systems, legality of actions, other instances of non-compliance with laws and regulations and any other material matters.

5. Prior to the submission of the final report, the audit firm's staff will be required to review the draft of the report and management letter with District staff.

6. Any other applicable requirements of law of GASB.

EXHIBIT A

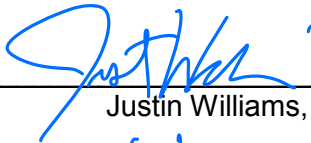
FEE FOR SERVICE AND METHOD FOR DETERMINING FEE:

Pursuant to Compensation Schedule (EXHIBIT B) not to exceed amounts set forth in CONSULTANT's proposal described under scope of services, in the annual amount of \$53,200.

Services covered by EXHIBIT A shall be performed, and payment for such services shall be made, all in accordance with that AGREEMENT between DISTRICT and CONSULTANT dated October \_\_, 2021.

**CONSULTANT:**

**DISTRICT:**

By  \_\_\_\_\_  
Justin Williams, Partner

By \_\_\_\_\_  
Jennifer Hanson, General Manager  
Nevada Irrigation District

Date 10/6/2021 \_\_\_\_\_

Date \_\_\_\_\_



EXHIBIT B

**CONSULTING SERVICES**

**Financial Auditing Services (10135 - 52603)**

**COMPENSATION SCHEDULE**

<u>Audit Services</u>	<u>12/31/2021</u>	<u>Optional 12/31/2022</u>	<u>Optional 12/31/2023</u>	<u>Optional 12/31/2024</u>	<u>Optional 12/31/2025</u>
District Audit and Related Reports	\$ 49,200	\$ 49,200	\$ 49,200	\$ 49,200	\$ 49,200
State Controller's Report	4,000	4,000	4,000	4,000	4,000
Report on Internal Control	Included	Included	Included	Included	Included
Management Letter	Included	Included	Included	Included	Included
Present Audit Findings	Included	Included	Included	Included	Included
Routine call with Staff	Included	Included	Included	Included	Included
Out of Pocket Expenses	<u>Included</u>	<u>Included</u>	<u>Included</u>	<u>Included</u>	<u>Included</u>
Total (Not-to-exceed)	\$ 53,200	\$ 53,200	\$ 53,200	\$ 53,200	\$ 53,200

<u>Fees for Additional Services</u>	<u>Hourly Rate</u>
Partners	\$ 280
Managers	195
Senior Staff	165
Staff	135



EXHIBIT C

**INSURANCE REQUIREMENTS FOR CONSULTANTS**

Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, his/her agents, representatives, or employees.

*Minimum Scope of Insurance*

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence Form CG 0001).
2. Insurance Services Office Form CA 00 01 covering Automobile Liability, Code 1 (any auto).
3. Workers' compensation insurance as required by the State of California and Employer's Liability Insurance.
4. Errors and Omissions Liability Insurance appropriate to the consultant's profession. Architects' and engineers' coverage is to be endorsed to include contractual liability.

*Minimum Limits of Insurance*

Consultant shall maintain limits no less than:

1.	General Liability: <i>Including operations, products and completed operations.</i>	\$1,000,000	Per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2.	Automobile Liability:	\$1,000,000	Per accident for bodily injury and property damage.
3.	Employer's Liability	\$1,000,000	Per accident for bodily injury or disease.
4.	Errors & Omissions Liability:	\$1,000,000	Per occurrence.

*Deductibles and Self-Insured Retentions*

Any deductibles or self-insured retentions must be declared to and approved by the District. At the option of the District, either (a) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the District, its officers, officials, employees and volunteers, or (b) the Consultant shall provide a financial guarantee satisfactory to the District guaranteeing payment of losses and related investigations, claim administration and defense expenses.

*Other Insurance Provisions*

The commercial general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

## EXHIBIT C

1. The District, its officers, officials, employees and volunteers are to be covered as insureds as respects: liability arising out of work or operations performed by or on behalf of the Consultant; or automobiles owned, leased, hired or borrowed by the Consultant.
2. For any claims related to this project, the Consultant's insurance coverage shall be primary insurance as respects the District, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the District, its officers, officials, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days prior written notice by certified mail, return-receipt requested, has been given to the District.

If Errors and Omissions coverage is written on a claims-made form:

1. The retroactive date must be shown, and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, the Consultant must purchase an extended period coverage for a minimum of five (5) years after completion of contract work.
4. A copy of the claims reporting requirements must be submitted to the District for review.

### *Acceptability of Insurers*

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the District.

### *Verification of Coverage*

Consultant shall furnish the District with original certificates and endorsements, including amendatory endorsements, effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the District before work commences; however, failure to do so shall not operate as a waiver of these insurance requirements. The District reserves the right to require complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications at any time.

### *Waiver of Subrogation*

Consultant hereby agrees to waive subrogation which any insurer may acquire by virtue of the payment of any loss. Consultant agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation.

The workers' compensation policy shall be endorsed to contain a waiver of subrogation in favor of the District for all work performed by the Consultant, its agents, employees, independent contractors and subcontractors.

## Request for Taxpayer Identification Number and Certification

**Give Form to the  
requester. Do not  
send to the IRS.**

▶ Go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9) for instructions and the latest information.

Print or type. See Specific Instructions on page 3.	<p><b>1</b> Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.</p> <hr/> <p><b>2</b> Business name/disregarded entity name, if different from above</p> <hr/> <p><b>3</b> Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only <b>one</b> of the following seven boxes.</p> <p><input type="checkbox"/> Individual/sole proprietor or single-member LLC      <input type="checkbox"/> C Corporation      <input type="checkbox"/> S Corporation      <input type="checkbox"/> Partnership      <input type="checkbox"/> Trust/estate</p> <p><input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____</p> <p><b>Note:</b> Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is <b>not</b> disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.</p> <p><input type="checkbox"/> Other (see instructions) ▶ _____</p>	<p><b>4</b> Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):</p> <p>Exempt payee code (if any) _____</p> <p>Exemption from FATCA reporting code (if any) _____</p> <p><small>(Applies to accounts maintained outside the U.S.)</small></p>
	<p><b>5</b> Address (number, street, and apt. or suite no.) See instructions.</p> <hr/> <p><b>6</b> City, state, and ZIP code</p> <hr/> <p><b>7</b> List account number(s) here (optional)</p>	<p>Requester's name and address (optional)</p> <hr/>

### Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

**Note:** If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

<b>Social security number</b>									
-					-				
<b>or</b>									
<b>Employer identification number</b>									
-					-				

### Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

**Sign Here**

Signature of U.S. person ▶

Date ▶

## General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

**Future developments.** For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9).

## Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
  - Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
  - Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
  - Form 1099-S (proceeds from real estate transactions)
  - Form 1099-K (merchant card and third party network transactions)
  - Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
  - Form 1099-C (canceled debt)
  - Form 1099-A (acquisition or abandonment of secured property)
- Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

*If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.*