

**ADAMS COUNTY
PROFESSIONAL SERVICE AGREEMENT**

THIS AGREEMENT ("Agreement") is made this 20 day of DECEMBER 2016, by and between the Adams County Board of County Commissioners, located at 4430 South Adams County Parkway, Brighton, Colorado 80601, hereinafter referred to as the "County," and CliftonLarsonAllen LLP, located at 8390 East Crescent Parkway, Suite 500, Greenwood Village, Colorado 80111, hereinafter referred to as the "Contractor." The County and the Contractor may be collectively referred to herein as the "Parties".

The County and the Contractor, for the consideration herein set forth, agree as follows:

1. SERVICES OF THE CONTRACTOR:

- 1.1. All work shall be in accordance with the attached RFP 2016.712 and the Contractor's response to the RFP 2016.712 attached hereto as Exhibit A, and incorporated herein by reference. Should there be any discrepancy between Exhibit A and this Agreement the terms and conditions of this Agreement shall prevail.
- 1.2. Emergency Services: In the event the Adams County Board of County Commissioners declares an emergency, the County may request additional services (of the type described in this Agreement or otherwise within the expertise of the Contractor) to be performed by the Contractor. If the County requests such additional services, the Contractor shall provide such services in a timely fashion given the nature of the emergency, pursuant to the terms of this Agreement. Unless otherwise agreed to in writing by the parties, the Contractor shall bill for such services at the rates provided for in this Agreement.

- 2. RESPONSIBILITIES OF THE COUNTY:** The County shall provide information as necessary or requested by the Contractor to enable the Contractor's performance under this Agreement.

3. TERM:

- 3.1. Term of Agreement: The Term of this Agreement shall be for three (3) years from the executed agreement date above.
- 3.2. Renewal Option: The County, at its sole option, may offer to renew this Agreement as necessary for up to two (2), one (1) year renewals providing satisfactory service is given and all terms and conditions of this Agreement have been fulfilled. Such renewals must be mutually agreed upon in writing by the County and the Contractor.

- 4. PAYMENT AND FEE SCHEDULE:** The County shall pay the Contractor for services furnished under this Agreement, and the Contractor shall accept as full payment for those services, the sum of three hundred seventy thousand five hundred dollars (\$370,500.00) for the initial three (3) years with option year one (1) costing one hundred twenty-eight thousand five hundred dollars (\$128,500.00) and the second option year costing one hundred thirty-one thousand dollars (\$131,000.00).

4.1. Payment pursuant to this Agreement, whether in full or in part, is subject to and contingent upon the continuing availability of County funds for the purposes hereof. In the event that funds become unavailable, as determined by the County, the County may immediately terminate this Agreement or amend it accordingly.

5. **INDEPENDENT CONTRACTOR:** In providing services under this Agreement, the Contractor acts as an independent contractor and not as an employee of the County. The Contractor shall be solely and entirely responsible for his/her acts and the acts of his/her employees, agents, servants, and subcontractors during the term and performance of this Agreement. No employee, agent, servant, or subcontractor of the Contractor shall be deemed to be an employee, agent, or servant of the County because of the performance of any services or work under this Agreement. The Contractor, at its expense, shall procure and maintain workers' compensation insurance as required by law. **Pursuant to the Workers' Compensation Act § 8-40-202(2)(b)(IV), C.R.S., as amended, the Contractor understands that it and its employees and servants are not entitled to workers' compensation benefits from the County. The Contractor further understands that it is solely obligated for the payment of federal and state income tax on any moneys earned pursuant to this Agreement.**

6. **NONDISCRIMINATION:**

6.1. **The Contractor shall not discriminate against any employee or qualified applicant for employment because of age, race, color, religion, marital status, disability, sex, or national origin. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices provided by the local public agency setting forth the provisions of this nondiscrimination clause. Adams County is an equal opportunity employer.**

6.1.1. The Contractor will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Agreement so that such provisions will be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

7. **INDEMNIFICATION:** The Contractor agrees to indemnify and hold harmless the County, its officers, agents, and employees for, from, and against any and all claims, suits, expenses, damages, or other liabilities, including reasonable attorney fees and court costs, arising out of damage or injury to persons, entities, or property, caused or sustained by any person(s) as a result of the Contractor's performance or failure to perform pursuant to the terms of this Agreement or as a result of any subcontractors' performance or failure to perform pursuant to the terms of this Agreement.

8. **INSURANCE:** The Contractor agrees to maintain insurance of the following types and amounts:

8.1. **Commercial General Liability Insurance:** to include products liability, completed operations, contractual, broad form property damage and personal injury.

8.1.1. Each Occurrence: \$1,000,000

8.1.2. General Aggregate: \$2,000,000

8.2. **Comprehensive Automobile Liability Insurance:** to include all motor

vehicles owned, hired, leased, or borrowed.

8.2.1. Bodily Injury/Property Damage: \$1,000,000 (each accident)

8.2.2. Personal Injury Protection: Per Colorado Statutes

8.3. Workers' Compensation Insurance: Per Colorado Statutes

8.4. Professional Liability Insurance: to include coverage for damages or claims for damages arising out of the rendering, or failure to render, any professional services, as applicable.

8.4.1. Each Occurrence: \$1,000,000

8.4.2. This insurance requirement applies only to the Contractors who are performing services under this Agreement as professionals licensed under the laws of the State of Colorado, such as physicians, lawyers, engineers, nurses, mental health providers, and any other licensed professionals.

8.5. Adams County as "Additional Insured": The Contractor's commercial general liability, and comprehensive automobile liability, insurance policies and/or certificates of insurance shall be issued to include Adams County as an "additional insured" and shall include the following provisions:

8.5.1. Underwriters shall have no right of recovery or subrogation against the County, it being the intent of the parties that the insurance policies so affected shall protect both parties and be primary coverage for any and all losses resulting from the actions or negligence of the Contractor.

8.5.2. The insurance companies issuing the policy or policies shall have no recourse against the County for payment of any premiums due or for any assessments under any form of any policy.

8.5.3. Any and all deductibles contained in any insurance policy shall be assumed by and at the sole risk of the Contractor.

8.6. Licensed Insurers: All insurers of the Contractor must be licensed or approved to do business in the State of Colorado. Upon failure of the Contractor to furnish, deliver and/or maintain such insurance as provided herein, this Agreement, at the election of the County, may be immediately declared suspended, discontinued, or terminated. Failure of the Contractor in obtaining and/or maintaining any required insurance shall not relieve the Contractor from any liability under this Agreement, nor shall the insurance requirements be construed to conflict with the obligations of the Contractor concerning indemnification.

8.7. Endorsement: Each insurance policy herein required shall be endorsed to state that coverage shall not be suspended, voided, or canceled without thirty (30) days prior written notice by certified mail, return receipt requested, to the County.

8.8. Proof of Insurance: At any time during the term of this Agreement, the County may require the Contractor to provide proof of the insurance coverage or policies required under this Agreement.

9. DAMAGES ARISING FROM BREACH OF PERFORMANCE OBLIGATIONS

9.1. Notwithstanding anything else set forth in this Agreement, if Contractor fails to comply with all terms of this contract, including but not limited to, its obligation to perform its work in a workmanlike manner in accordance with all codes, plans, specifications and industry standards, Contractor shall be liable to County for all damages arising from the

breach, including but not limited to, all attorney fees, costs and other damages.

10. WARRANTY:

- 10.1. The Contractor warrants and guarantees to the County that all work, equipment, and materials furnished under the Agreement are free from defects in workmanship and materials for a period of one year after final acceptance by the County. The Contractor further warrants and guarantees that the plans and specifications incorporated herein are free of fault and defect sufficient for Contractor to warrant the finished product after completion date. Should the Contractor fail to proceed promptly in accordance with this guarantee, the County may have such work performed at the expense of the Contractor. This section does not relieve the Contractor from liability for defects that become known after one year.

11. TERMINATION:

- 11.1. For Cause: If, through any cause, the Contractor fails to fulfill its obligations under this Agreement in a timely and proper manner, or if the Contractor violates any of the covenants, conditions, or stipulations of this Agreement, the County shall thereupon have the right to immediately terminate this Agreement, upon giving written notice to the Contractor of such termination and specifying the effective date thereof.
- 11.2. For Convenience: The County may terminate this Agreement at any time by giving written notice as specified herein to the other party, which notice shall be given at least thirty (30) days prior to the effective date of the termination. If this Agreement is terminated by the County, the Contractor will be paid an amount that bears the same ratio to the total compensation as the services actually performed bear to the total services the Contractor was to perform under this Agreement, less payments previously made to the Contractor under this Agreement.

12. MUTUAL UNDERSTANDINGS:

- 12.1. Jurisdiction and Venue: The laws of the State of Colorado shall govern as to the interpretation, validity, and effect of this Agreement. The parties agree that jurisdiction and venue for any disputes arising under this Agreement shall be with Adams County, Colorado.
- 12.2. Compliance with Laws: During the performance of this Agreement, the Contractor agrees to strictly adhere to all applicable federal, state, and local laws, rules and regulations, including all licensing and permit requirements. The parties hereto aver that they are familiar with § 18-8-301, et seq., C.R.S. (Bribery and Corrupt Influences), as amended, and § 18-8-401, et seq., C.R.S. (Abuse of Public Office), as amended, , the Clean Air Act (42 U.S.C. 7401-7671q), and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended, and that no violation of such provisions are present. The Contractor warrants that it is in compliance with the residency requirements in §§ 8-17.5-101, et seq., C.R.S. Without limiting the generality of the foregoing, the Contractor expressly agrees to comply with the privacy and security requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA).
- 12.3. OSHA: The Contractor shall comply with the requirements of the Occupational Safety and Health Act (OSHA) and shall review and comply with the County's safety regulations while on any County property. Failure to comply with any applicable

federal, state or local law, rule, or regulation shall give the County the right to terminate this agreement for cause.

- 12.4. Record Retention: The Contractor shall maintain records and documentation of the services provided under this Agreement, including fiscal records, and shall retain the records for a period of three (3) years from the date this Agreement is terminated. Said records and documents shall be subject at all reasonable times to inspection, review, or audit by authorized Federal, State, or County personnel.
- 12.5. Assignability: Neither this Agreement, nor any rights hereunder, in whole or in part, shall be assignable or otherwise transferable by the Contractor without the prior written consent of the County.
- 12.6. Waiver: Waiver of strict performance or the breach of any provision of this Agreement shall not be deemed a waiver, nor shall it prejudice the waiving party's right to require strict performance of the same provision, or any other provision in the future, unless such waiver has rendered future performance commercially impossible.
- 12.7. Force Majeure: Neither party shall be liable for any delay or failure to perform its obligations hereunder to the extent that such delay or failure is caused by a force or event beyond the control of such party including, without limitation, war, embargoes, strikes, governmental restrictions, riots, fires, floods, earthquakes, or other acts of God.
- 12.8. Notice: Any notices given under this Agreement are deemed to have been received and to be effective: 1) Three (3) days after the same shall have been mailed by certified mail, return receipt requested; 2) Immediately upon hand delivery; or 3) Immediately upon receipt of confirmation that an E-mail was received. For the purposes of this Agreement, any and all notices shall be addressed to the contacts listed below:

Department: Adams County Finance Department
Contact: Mary Ha
Address: 4430 South Adams County Parkway
City, State, Zip: Brighton, Colorado 80601
Phone: 720.523.6283
E-mail: Mha@adcogov.org

Department: Adams County Purchasing
Contact: Shawn Hartmann
Address: 4430 South Adams County Parkway
City, State, Zip: Brighton, Colorado 80601
Phone: 720.523.6279
E-mail: Shartmann@adcogov.org

Department: Adams County Attorney's Office
Address: 4430 South Adams County Parkway
City, State, Zip: Brighton, Colorado 80601
Phone: 720.523.6116

Contractor: CliftonLarsonAllen LLP
Contact: Mark D. Elmshauser
Address: 8390 East Crescent Parkway Suite 500
City, State, Zip: Greenwood Village, Colorado 80111
Phone: 303.779.5710
E-mail: Mark.elmshauser@claconnect.com

- 12.9. Integration of Understanding: This Agreement contains the entire understanding of the parties hereto and neither it, nor the rights and obligations hereunder, may be changed, modified, or waived except by an instrument in writing that is signed by the parties hereto.
- 12.10. Severability: If any provision of this Agreement is determined to be unenforceable or invalid for any reason, the remainder of this Agreement shall remain in effect, unless otherwise terminated in accordance with the terms contained herein.
- 12.11. Authorization: Each party represents and warrants that it has the power and ability to enter into this Agreement, to grant the rights granted herein, and to perform the duties and obligations herein described.
- 12.12. Confidentiality: All documentation related to this Agreement will become the property of Adams County. All documentation maintained or kept by Adams County shall be subject to the Colorado Open Records Act, C.R.S. 24-72-201 *et seq.* ("CORA"). The County does not guarantee the confidentiality of any records.

13. AMENDMENTS, CHANGE ORDERS OR EXTENSIONS:

- 13.1. Amendments or Change Orders: The County may, from time to time, require changes in the scope of the services of the Contractor to be performed herein including, but not limited to, additional instructions, additional work, and the omission of work previously ordered. The Contractor shall be compensated for all authorized changes in services, pursuant to the applicable provision in the Solicitation, or, if no provision exists, pursuant to the terms of the Amendment or Change Order.
- 13.2. Extensions: The County may, upon mutual written agreement by the parties, extend the time of completion of services to be performed by the Contractor.

14. COMPLIANCE WITH C.R.S. § 8-17.5-101, ET. SEQ. AS AMENDED 5/13/08: Pursuant to Colorado Revised Statute (C.R.S.), § 8-17.5-101, *et. seq.*, as amended May 13, 2008, the Contractor shall meet the following requirements prior to signing this Agreement (public contract for service) and for the duration thereof:

- 14.1. The Contractor shall certify participation in the E-Verify Program (the electronic employment verification program that is authorized in 8 U.S.C. § 1324a and jointly administered by the United States Department of Homeland Security and the Social Security Administration, or its successor program) or the Department Program (the employment verification program established by the Colorado Department of Labor and Employment pursuant to C.R.S. § 8-17.5-102(5)) on the attached certification.
- 14.2. The Contractor shall not knowingly employ or contract with an illegal alien to perform work under this public contract for services.

- 14.3. The Contractor shall not enter into a contract with a subcontractor that fails to certify to the Contractor that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under this public contract for services.
- 14.4. At the time of signing this public contract for services, the Contractor has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under this public contract for services through participation in either the E-Verify Program or the Department Program.
- 14.5. The Contractor shall not use either the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while this public contract for services is being performed.
- 14.6. If the Contractor obtains actual knowledge that a subcontractor performing work under this public contract for services knowingly employs or contracts with an illegal alien, the Contractor shall: notify the subcontractor and the County within three (3) days that the Contractor has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and terminate the subcontract with the subcontractor if within three days of receiving the notice required pursuant to the previous paragraph, the subcontractor does not stop employing or contracting with the illegal alien; except that the Contractor shall not terminate the contract with the subcontractor if during such three (3) days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.
- 14.7. Contractor shall comply with any reasonable requests by the Department of Labor and Employment (the Department) made in the course of an investigation that the Department is undertaking pursuant to the authority established in C.R.S. § 8-17.5-102(5).
- 14.8. If Contractor violates this Section, of this Agreement, the County may terminate this Agreement for breach of contract. If the Agreement is so terminated, the Contractor shall be liable for actual and consequential damages to the County.

The remainder of this page is left blank intentionally.

IN WITNESS WHEREOF, the Parties have caused their names to be affixed hereto:

Board of County Commissioners

Steven J. Dennis Chair 12/20/16 Date

CliftonLarsonAllen LLP

[Signature] Signature 12/15/2016 Date

Paul Niedermuller Printed Name Principal Title

Attest:

Stan Martin, Clerk and Recorder [Signature] Deputy Clerk

Approved as to Form: [Signature]
Adams County Attorney's Office

NOTARIZATION OF CONTRACTOR'S SIGNATURE:

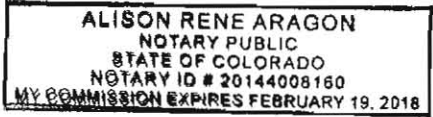
COUNTY OF Broomfield

STATE OF Colorado)SS.

Signed and sworn to before me this 15th day of December, 2016,

by Paul Niedermuller,

[Signature]
Notary Public



My commission expires on: 2/19/18


CONTRACTOR'S CERTIFICATION OF COMPLIANCE

Pursuant to Colorado Revised Statute, § 8-17.5-101, *et seq.*, as amended 5/13/08, as a prerequisite to entering into a contract for services with Adams County, Colorado, the undersigned Contractor hereby certifies that at the time of this certification, Contractor does not knowingly employ or contract with an illegal alien who will perform work under the attached contract for services and that the Contractor will participate in the E-Verify Program or Department program, as those terms are defined in C.R.S. § 8-17.5-101, *et seq.* in order to confirm the employment eligibility of all employees who are newly hired for employment to perform work under the attached contract for services.

CONTRACTOR:

Clifton Larson Allen, LLP
Company Name

12/15/2016
Date


Signature

Paul Niedermüller
Name (Print or Type)

Principal
Title

Note: Registration for the E-Verify Program can be completed at: <https://www.vis-dhs.com/employerregistration>. It is recommended that employers review the sample "memorandum of understanding" available at the website prior to registering

**ADAMS COUNTY FORMAL REQUEST FOR PROPOSAL
RFP-SPH-2016.712**

External Auditor Services

**All documents and Addendum related to this RFP
will be posted on the Rocky Mountain Bid System at:
<http://www.rockymountainbidsystem.com/Bids/ViewOpenSolicitations.asp>**

**Written questions regarding this RFP will be accepted
through September 27, 2016**

**An Addendum to answer submitted questions will be
issued no later than October 4, 2016**

**Proposal Opening Date: October 17, 2016
Time: 2:00 p.m.**

**Location: Adams County Government Center
4430 South Adams County Parkway
4th Floor, C4000A
Brighton, CO 80601**



GENERAL INSTRUCTIONS

1. The Adams County Board of Commissioners by and through its Purchasing Division of the Finance Department is accepting proposals for External Audit Services.
2. **All documents related to this RFP will be posted on the Rocky Mountain Bid System at:**
<http://www.rockymountainbidssystem.com/Bids/ViewOpenSolicitations.asp>
 - 2.1. Interested parties must register with this service to receive these documents.
 - 2.2. This service is offered free or with an annual fee for automatic notification services.
3. Written questions may be submitted through September 27, 2016. All questions are to be submitted to Shawn Hartmann, Purchasing Agent II by email at Shartmann@adcogov.org.
4. An Addendum to answer all questions will be issued no later than October 4, 2016.
5. Proposals
 - 5.1. Sealed proposals for consideration will be received at the office of the Purchasing Division of the Finance Department at the Adams County Government Center, 4430 South Adams County Parkway, The Front Lobby, Brighton Colorado 80601, up to 2:00 p.m. on October 17, 2016.
 - 5.2. The proposal opening time shall be according to our bid clock located in the front lobby.
 - 5.3. Proposals may be mailed or delivered in person and **must be** in a sealed envelope clearly labeled with Company Name, Proposal Number, and Project Title.
 - 5.4. One (1) separate sealed envelope shall contain pricing information contained in the Scope, Section 18.
 - 5.5. No proposals will be accepted after the time and date established above except by written addenda.
 - 5.6. The proposal must be submitted on a CD or Flash Drive in a single PDF file. Brochures or other supportive documents may be included with the proposal narrative.
 - 5.7. The two proposal signature pages "**CONTRACTOR'S CERTIFICATION OF COMPLIANCE**" pursuant to Colorado Revised Statute (C.R.S.), § 8-17.5-101, *et seq.*, as amended 5/13/08, and the "**PROPOSAL FORM**" acknowledging the receipt of addendum(s) must be signed and included as hard copy with the CD or Flash Drive. These are the **last two pages of the RFP**.

- 5.8. Proposals may not be withdrawn after date and hour set for closing. Failure to enter contract or honor the purchase order will be cause for removal of supplier's name from the Vendor's List for a period of twelve (12) months from the date of this opening.
- 5.9. In submitting the proposal, the vendor agrees that acceptance of any or all proposals by the Purchasing Manager within a reasonable time or period constitutes a contract. No delivery shall become due or be accepted unless a purchase order shall first have been issued by the Purchasing Division.
- 5.10. The County assumes no responsibility for late deliveries of mail on behalf of the United States Post Office or any other delivery system.
- 5.11. The County assumes no responsibility for a proposal being either opened early or improperly routed if the envelope is not clearly marked on the outside:

External Auditor Services and RFP-SPH-2016.712

- 5.12. In the event of a situation severe enough to cause the Adams County Board of Commissioners to close the County offices for any reason, the Purchasing Manager has the prerogative of rescheduling the proposal opening time and date. No proposal will be considered above all other proposals by having met the proposal opening time and date requirements to the exclusion of those who were unable to present their proposal due to a situation severe enough to cause the Board of Commissioners to close the County offices.
- 5.13. Proposal must be submitted in the format supplied and/or described by the County. Failure to submit in the format provided may be cause for rejection of the proposal. Proposals must be furnished exclusive of taxes.
- 5.14. No award will be made to any person, firm, or corporation, which is in arrears upon any obligation to the County.
- 5.15. If submitting a joint venture proposal or a proposal involving a partnership arrangement, articles of partnership stating each partner's responsibilities shall be furnished and submitted with the proposal.
- 5.16. The County reserves the right to waive any irregularities or informalities, and the right to accept or reject any and all proposals, including but not limited to:
 - 5.16.1. Any Proposal which does not meet bonding requirements, or,
 - 5.16.2. Proposals which do not furnish the quality, or,
 - 5.16.3. Offer the availability of materials, equipment or services as required by the specifications, description or scope of services, or,
 - 5.16.4. Proposals from offerors who lack experience or financial responsibility, or,
 - 5.16.5. Proposals which are not made to form.

- 5.17. The Board of County Commissioners may rescind the award of any proposal within one week thereof or at its next regularly scheduled meeting; whichever is later, when the public interest will be served thereby.
 - 5.18. Issuance of this solicitation does not commit the County to award any Agreement or to procure or Agreement for any equipment, materials or services.
 - 5.19. If a formal Agreement is required, the Contractor agrees and understands that a Notice of Award does not constitute an Agreement or create a property interest of any nature until an Agreement is signed by the Awardee and the Board of County Commissioners and/or their authorized designee.
 - 5.20. Only sealed proposals received by the Purchasing Division of the Finance Department will be accepted; proposals submitted by telephone, email, or facsimile machines are not acceptable.
 - 5.21. Pricing must be submitted in a separate sealed envelope.
 - 5.22. All documentation submitted in response to this solicitation will become the property of Adams County. All documentation maintained or kept by Adams County shall be subject to the Colorado Open Records Act. C.R.S. 24-72-201 *et. seq.* ("CORA"). Accordingly, respondents are discouraged from providing information that they consider confidential, privileged, and/or trade secrets as part of a response to this solicitation. Any portions of submissions that are reasonably considered confidential should be clearly marked. The County does not guarantee the confidentiality of any records.
6. Adams County is an equal opportunity employer.
 7. The County ensures that disadvantaged business enterprises will be afforded full opportunity to submit bids in response to all invitations and will not be discriminated against on the grounds of race, color, national origin, age, gender, or disability in consideration for an award.
 8. COOPERATIVE PURCHASING: Adams County encourages cooperative purchasing in an effort to assist other agencies to reduce their cost of bidding and to make better use of taxpayer dollars through volume purchasing. Contractor(s) may, at their discretion, agree to extend the prices and/or terms of the resulting award to other state or local government agencies, school districts, or political subdivisions in the event they would have a need for the same product/service. Usage by any entity shall not have a negative impact on Adams County in the current term or in any future terms.

The Contractor(s) must deal directly with any governmental agency concerning the placement of purchase orders/agreements, freight/delivery charges, contractual disputes, invoices, and payments. Adams County shall not be liable for any costs or damages incurred by any other entity.

9. INSURANCE: The Contractor agrees to maintain insurance of the following types and amounts:

9.1. Commercial General Liability Insurance: to include products liability, completed operations, contractual, broad form property damage and personal injury.

9.1.1. Each Occurrence \$1,000,000

9.1.2. General Aggregate \$2,000,000

9.2. Comprehensive Automobile Liability Insurance: to include all motor vehicles owned, hired, leased, or borrowed.

9.2.1. Bodily Injury/Property Damage \$1,000,000 (each accident)

9.2.2. Personal Injury Protection Per Colorado Statutes

9.3. Workers' Compensation Insurance: Per Colorado Statutes

9.4. Professional Liability Insurance: to include coverage for damages or claims for damages arising out of the rendering, or failure to render, any professional services.

9.4.1. Each Occurrence \$1,000,000

9.4.2. This insurance requirement applies only to Contractors who are performing services under this Agreement as professionals licensed under the laws of the State of Colorado, such as physicians, lawyers, engineers, nurses, mental health providers, and any other licensed professionals.

9.5. The Contractor's commercial general liability, and comprehensive automobile liability insurance policies and/or certificates of insurance shall be issued to include Adams County as an "additional insured," and shall include the following provisions:

9.5.1. Underwriters shall have no right of recovery or subrogation against the County, it being the intent of the parties that the insurance policies so affected shall protect both parties and be primary coverage for any and all losses resulting from the actions or negligence of the Contractor.

9.5.2. The insurance companies issuing the policy or policies shall have no response against the County for payment of any premiums due or for any assessments under any form of any policy.

9.5.3. Any and all deductibles contained in any insurance policy shall be assumed by and at the sole risk of the Contractor.

9.6. All insurers of the Contractor must be licensed or approved to do business in the State of Colorado. Upon failure of the Contractor to furnish, deliver and/or maintain such insurance as provided herein, this Agreement, at the election of the County, may be immediately declared suspended, discontinued, or terminated. Failure of the Contractor in obtaining and/or maintaining any required insurance shall not relieve the Contractor from any liability under this Agreement, nor shall the insurance requirements be construed to conflict with the obligations of the Contractor concerning indemnification.

- 9.7. Each insurance policy herein required shall be endorsed to state that coverage shall not be suspended, voided, or canceled without thirty (30) days prior written notice by certified mail, return receipt requested, to the County.
 - 9.8. At any time during the term of this Agreement, the County may require the Contractor to provide proof of the insurance coverage's or policies required under this Agreement.
 - 9.9. The Contractor shall not commence work under this contract until they have submitted to the County and received approval thereof, certificates of insurance showing that they have complied with the foregoing insurance.
 - 9.10. All referenced insurance policies and/or certificates of insurance shall be issued to include Adams County as an "additional insured." The name of the proposal or project must appear on the certificate of insurance.
 - 9.11. Underwriters shall have no right of recovery or subrogation against the County; it being the intent of the parties that the insurance policies so affected shall protect both parties and be primary coverage for any and all losses covered by the described insurance.
 - 9.12. The clause entitled "Other Insurance Provisions" contained in any policy including the County as an additional insured shall not apply to The County.
 - 9.13. If any of the said policies shall be or at any time become unsatisfactory to the County as to form or substance, or if a company issuing any such policy shall be or at any time become unsatisfactory to the County, the Contractor shall promptly obtain a new policy, submit the same to the Purchasing Manager of Adams County for approval and thereafter submit a certificate of insurance as herein above provided. Upon failure of the Contractor to furnish, deliver and maintain such insurance as provided herein, this contract, at the election of the County, may be immediately declared suspended, discontinued or terminated.
10. Contractor shall comply with the requirements of the Occupational Safety and Health Act (OSHA) and shall review and comply with the County's safety regulations while on any County property. Failure to comply with any applicable federal, state or local law, rule, or regulation shall give the County the right to terminate this agreement for cause.
 11. COMPLIANCE WITH C.R.S. § 8-17.5-101, ET. SEQ. AS AMENDED 5/13/08: Pursuant to Colorado Revised Statute (C.R.S.), § 8-17.5-101, *et. seq.*, as amended 5/13/08, the Contractor shall meet the following requirements prior to signing this Agreement (public contract for service) and for the duration thereof:
 - 11.1. The Contractor shall certify participation in the E-Verify Program (the electronic employment verification program that is authorized in 8 U.S.C. § 1324a and jointly administered by the United States Department of Homeland Security and the Social Security Administration, or its successor program) or the Department Program (the

employment verification program established by the Colorado Department of Labor and Employment pursuant to C.R.S. § 8-17.5-102(5)) on the attached certification.

- 11.2. The Contractor shall not knowingly employ or contract with an illegal alien to perform work under this public contract for services.
- 11.3. The Contractor shall not enter into a contract with a subcontractor that fails to certify to the Contractor that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under this public contract for services.
- 11.4. At the time of signing this public contract for services, the Contractor has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under this public contract for services through participation in either the E-Verify Program or the Department Program.
- 11.5. The Contractor shall not use either the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while this public contract for services is being performed.
- 11.6. If Contractor obtains actual knowledge that a subcontractor performing work under this public contract for services knowingly employs or contracts with an illegal alien, the Contractor shall: notify the subcontractor and the County within three days that the Contractor has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and terminate the subcontract with the subcontractor if within three days of receiving the notice required pursuant to the previous paragraph, the subcontractor does not stop employing or contracting with the illegal alien; except that the Contractor shall not terminate the contract with the subcontractor if during such three days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.
- 11.7. Contractor shall comply with any reasonable requests by the Department of Labor and Employment (the Department) made in the course of an investigation that the Department is undertaking pursuant to the authority established in C.R.S. § 8-17.5-102(5).
- 11.8. If Contractor violates this Section, of this Agreement, the County may terminate this Agreement for breach of contract. If the Agreement is so terminated, the Contractor shall be liable for actual and consequential damages to the County.

End General Information

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Scope of Work

1. Introduction

- 1.1. Adams County is requesting proposals from qualified firms of Certified Public Accountants to audit its financial statements for the fiscal year ending December 31, 2016, with the option of auditing its financial statements for each of the four subsequent fiscal years. These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the U.S. General Accounting Offices' Government Auditing Standards (2007), Title 2 C.F.R. Chapter 2 Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).
- 1.2. Additional programmatic audit requirements may be imposed by agencies of the State of Colorado.
- 1.3. During the evaluation process, Adams County reserves the right, where it may serve Adams County's best interest, to request additional information or clarifications from one or all proposers, or to allow corrections of errors or omissions. At the discretion of Adams County, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.
- 1.4. Adams County reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposal, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between Adams County and the firm selected.
- 1.5. It is anticipated that the selection of a firm will be completed by November 1, 2016. Following the notification of the selected firm it is expected that an engagement letter or Agreement will be issued by November 15, 2016.
- 1.6. If the Contractor intends to subcontract any portion of this work, the name of the proposed subcontracting firm(s), must be clearly identified in the proposal. Following the award of the audit contract, no additional subcontracting will be allowed without the express prior written consent of Adams County.

2. Nature of Services Required

- 2.1. Adams County is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal year ending December 31, 2016, with the option to audit Adams County's financial statements for each of the four subsequent fiscal years. These audits are to be performed in accordance with the provisions contained in this request for proposals.

- 2.2. Adams County desires the auditor to express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles.
- 2.3. The auditor is not required to audit the supporting schedules contained in the Comprehensive Financial Annual Report (CAFR). However, the auditor is to provide an "in-relation-to" report on the combining and individual fund financial statements and supporting schedules based on the auditing procedures applied during the audit of the basic financial statements. The auditor is not required to audit the introductory section of the report or the statistical section of the report.
- 2.4. The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.
- 2.5. The auditor is required to audit the Schedule of Expenditures of Federal Awards, and issue a report on the Schedule of Expenditures of Federal Awards based on the auditing procedures applied during the audit of the financial statements.
- 2.6. To meet the requirements of this request for proposals, the audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth by the U.S. General Accounting Office's Government Audit Standards (2007) and Title 2 C.F.R. Chapter 2 Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
- 2.7. Reports: Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue:
 - 2.7.1. A report on the fair presentation of the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information in conformity with generally accepted accounting principles.
 - 2.7.2. A report on the Schedule of Federal Awards.
 - 2.7.3. A report will also cover Human Service EBT schedule and Local Highway Finance Report as required by state regulations.
 - 2.7.4. A report on the Compliance and on Internal Control over Financial Reporting based on an Audit of financial statements performed in Accordance with Government Auditing Standards.
 - 2.7.5. A report on Compliance with Requirements applicable to each Major Program and Internal Control over Compliance in Accordance with OMB Uniform Guidance.
 - 2.7.6. A Schedule of Findings and Questions Costs
 - 2.7.7. In the required report(s) on internal controls, the auditor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management

- in the financial statements. Reportable conditions that are also material weaknesses shall be identified as such in the report.
- 2.7.8. Non-reportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the report(s) on internal controls.
 - 2.7.9. The reports on compliance shall include all instances of noncompliance.
 - 2.7.10. Irregularities and illegal acts. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the following parties:
 - 2.7.10.1. BOARD OF COUNTY COMMISSIONERS
 - 2.7.10.2. COUNTY MANAGER
 - 2.7.10.3. FINANCE DIRECTOR
 - 2.7.11. Reporting to the Board of County Commissioners. Auditors shall assure themselves that the Adams County Board of County Commissioners is informed of each of the following:
 - 2.7.11.1. The auditor's responsibility under generally accepted auditing standards
 - 2.7.11.2. Significant audit adjustments
 - 2.7.11.3. Disagreement with management
 - 2.7.11.4. Difficulties encountered in performing the audit
- 2.8. Adams County will send its comprehensive annual financial report to the Government Finance Officers Association of the United States and Canada for review in its Certificate of Achievement for Excellence in Financial Reporting program.
 - 2.9. Adams County may prepare one or more official statements in connection with the sale of debt securities which will contain the basic financial statements and the auditor's report thereon. The auditor shall be required, if requested by the financial advisor and/or the underwriter, to issue a "consent and citation of expertise" as the auditor and any necessary "comfort letters".
 - 2.10. Adams County has determined that the U.S. Department of Health and Human Services will function as the cognizant agency in accordance with the provisions of the U.S. Office of Management and Budget (OMB) Uniform Grant Guidance.
 - 2.11. The schedule of expenditures of federal awards and related auditor's report, as well as the reports on the internal control structure and compliance are to be issued as part of the comprehensive annual financial report.
 - 2.12. All working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years, unless the firm is notified in writing by Adams County of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees:
 - 2.12.1. Adams County
 - 2.12.2. Department of Health and Human Services
 - 2.12.3. U.S. General Accounting Office (GAO)
 - 2.12.4. Parties designated by the federal or state governments or by Adams County as part of an audit quality review process.
 - 2.12.5. Auditors of entities of which Adams County is a sub-recipient of grant funds.

2.13. In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

3. Description of the Government

- 3.1. Adams County is one of three large, full service counties comprising the metropolitan area around Denver, Colorado. The County seat is Brighton, Colorado. Major offices are located in Brighton, Westminster, and Commerce City, Colorado.
- 3.2. The auditor's principal contact with Adams County will be Benjamin Dahlman, Finance Director, or a designated representative, who will coordinate the assistance to be provided by Adams County to the auditor.
- 3.3. Adams County serves an area of 1,182 square miles with a population of approximately 480,000. Adams County's fiscal year begins on January 1 and ends on December 31.
- 3.4. Adams County has a total payroll of approximately \$110 million covering approximately 1,900 employees.
- 3.5. Adams County is organized into 28 departments, elected offices, and agencies. The accounting and financial reporting functions of Adams County are centralized except for certain functions performed by Social Services, the county Clerk and Recorder, the county Treasurer and various includable entities. More detailed information on Adams County and its finances can be found in annual financial reports and budget documents.

4. Fund Structure

4.1. Adams County uses the following fund types in its financial reporting:

Fund Type	Number of Individual Funds	Number With Legally Adopted Annual Budgets
General fund	1	1
Special revenue funds	12	12
Capital projects funds	1	1
Enterprise funds	4	4
Internal service funds	2	2
Agency funds	4	4

4.2. Adams County prepares its budgets on a basis consistent with generally accepted accounting principles and state statute.

4.3. During the preceding fiscal year, Adams County received over \$64 million in federal financial assistance.

5. Retirement Plans

- 5.1. Adams County is a participant in a multiple employees' pension plan, defined benefit pension plan. The plan is administered by a five member pension board. Actuarial services are provided by Gabriel Roeder Smith & Company.
- 5.2. The Pension Plan issues separate financial statements that may be obtained from the Retirement Office at the County Administration Building at 4430 South Adams County Parkway, Brighton, CO 80601.
- 5.3. The County also has an employee that by statute participates in P.E.R.A.

6. Financial Reporting Entity

- 6.1. Adams County is a municipal corporation and a political subdivision of the State of Colorado. The County is governed by an elected five member Board of County Commissioners. The Board of County Commissioners exercises budgetary authority over all activities of the primary government. Adams County, the primary government, includes the activities of seven fellow elected officials (Assessor, Clerk and Recorder, Coroner, District Attorney, Treasurer, Surveyor, and Sheriff). The transactions for these offices are recorded in the General Fund. The primary government also includes activities of the Public Trustee, who is appointed by the Governor. Fees collected by the Public Trustee are recorded in the General Fund.
 - 6.2. As required by GAAP, these financial statements present the County and its component unit. Component unit is an entity for which the County is considered to be financially accountable. Blended component unit, although legally separate entity(ies), is part of the County's operations. Data of the unit is combined with that of the primary government. The component units also have a December 31 year-end.
- 7. Blended Component Unit Adams County Building Authority:** The Adams County Building Authority, formed in 1975, as a not-for-profit corporation under Section 501(c)(4) of the Internal Revenue Code, exists solely to acquire real estate and buildings for lease to Adams County. The County is financially accountable for the activities of the Building Authority and its assets, if any, are reflected in the County's capital assets.
- 8. Joint Ventures:** Adams County does not presently participate in joint ventures with other governments.

9. Magnitude of Finance Operations

- 9.1. The Finance Department is headed by Benjamin Dahlman, Finance Director and consists of 43 employees. The principal functions performed and the number of employees assigned to each are as follows:

Function	Number of Employees
Departmental Administration	3
Grants Fiscal Analysis	2
Accounts Receivable	1
Human Services Finance	17
P-Card Administration	1
Payroll	4
Accounts Payable	1
Purchasing	8
General Accounting	4
JDEdwards Applications	2
Total	43

10. Computer Systems: Adams County Accounting Systems are highly automated. The centralized computer supporting the General Business Systems is an A/S 400. The County's ERP system is the Oracle JDE Enterprise One system. Personal Computers and spreadsheet tools are used extensively.

11. Availability of Prior Audit Reports: Interested proposers who wish to review prior years' audit reports, please see <http://www.adcogov.org/index.aspx?nid=370>. Purchasing Manager is Mrs. Kim Roland, 4430 South Adams County Parkway, Brighton, CO, 720-523-6057 or by E-mail at Kroland@adcogov.org.

12. Due dates after the Agreement is awarded

- 12.1. Adams County will have all records ready for interim audit and all management personnel available to meet with the firm's personnel as of the week of January 16, 2016.
- 12.2. Entrance conference with Benjamin Dahlman, Finance Director; and Mary Ha, Accounting Manager; after the week of January 16 2017.
 - 12.2.1. The purpose of this meeting will be to discuss interim work to be performed. This meeting will also be used to establish overall liaison for the audit and to make arrangements for workspace and other needs of the auditor.
- 12.3. Progress conference with Benjamin Dahlman and Mary Ha prior to the week of January 31, 2016.
 - 12.3.1. The purpose of this meeting will be to summarize the results of the preliminary review and to identify the key internal controls or other matters to be tested and to discuss the year-end work to be performed.
- 12.4. The auditor shall complete all interim work by January 31, 2017.
- 12.5. The auditor shall provide Adams County, by February 15, 2017, both a detailed audit plan and a list of all schedules to be prepared by Adams County.

- 12.6. The auditor shall complete all fieldwork by the week of April 30, 2017.
- 12.7. Exit conferences with Benjamin Dahlman, Elected Officials, and department heads of key offices or programs as needed prior to the week of May 29, 2017.
 - 12.7.1. The purpose of this meeting will be to summarize the results of the fieldwork and to review any significant findings.

13. Date Final Report is Due

- 13.1. The Accounting Manager shall prepare draft financial statements, notes, and all required supplementary schedules (and statistical data) by May 15, 2017.
- 13.2. The auditor shall provide all recommendations, revisions, and suggestions for improvement to the Accounting Manager by May 31, 2017. A revised CAFR, including (a) draft auditor's report(s) shall be delivered to the Accounting Manager by June 15, 2017.
- 13.3. The Finance Director and Accounting Manager will complete the review of the draft report as expeditiously as possible. It is not expected that this process should exceed one week. During that period, the auditor should be available for any meetings that may be necessary to discuss the audit reports. Once all issues for discussion are resolved, the final signed opinions shall be delivered to the Accounting Manager by June 15, 2017. The Comprehensive Annual Financial Report will be issued by June 30, 2017.

14. Assistance to be Provided to the Auditor and Report Preparation

- 14.1. The Finance Department staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation, and explanations. The preparation of confirmations will be the responsibility of Adams County. In addition, clerical support will be made available to the auditor for the preparation of routine letters and memoranda.
- 14.2. Accounting staff will prepare fund trial balances, account analysis and schedules, and supply supporting documentation as requested on a best efforts basis.
- 14.3. Adams County will provide the auditor with reasonable workspace, desks, and chairs. The auditor will also be provided with access to telephone lines and photocopying facilities.
- 14.4. Report preparation, editing, and printing shall be the responsibility of Adams County.

15. Proposal Submittals:

- 15.1. A PDF file on CD or Flash Drive of the Technical Proposal to include:

- 15.1.1. Title page showing the request for proposals' subject; the firm's name; the name, address and telephone number of a contact person; and the date of the proposal.
- 15.1.2. Table of Contents
- 15.1.3. Transmittal Letters: A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for 90 days.
- 15.1.4. Executed copies of Proposer Guarantees and Proposer Warranties, attached to this request for proposals (Appendix A and Appendix B)

15.2. The proposer shall submit a dollar cost bid along with their Technical proposal.

16. Technical Proposal: The purpose of the technical proposal is to demonstrate the qualifications, competence, and capacity of the firms seeking to undertake an independent audit of Adams County in conformity with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The technical proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposal requirements.

- 16.1. The technical proposal should address all the points outlined in the request for proposal. The proposal should be prepared simply and economically, providing a straight forward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposal. While additional data may be presented, item numbers: 16.2 through 16.17 must be included. They represent the criteria against which the proposal will be evaluated.
- 16.2. Independence: The firm should provide an affirmative statement that it is independent of Adams County as defined by generally accepted auditing standards.
- 16.3. The firm also should provide an affirmative statement that it is independent of all of the component units of Adams County as defined by those same standards.
- 16.4. The firm should also list and describe the firm's (or proposed subcontractors') professional relationship involving Adams County or any of its agencies or component units for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.
- 16.5. In addition, the firm shall give Adams County written notice of any professional relationships entered into with agencies or component units during the period this agreement.

- 16.6. License to Practice in COLORADO: An affirmative statement should be included indicating that the firm and all assigned key professional staff are properly licensed to practice in COLORADO.
- 16.7. Firm Qualifications and Experience: The proposal should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part time basis.
- 16.8. If the proposer is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve as the principal auditor should be noted, if applicable.
- 16.9. The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.
- 16.10. The firm shall also provide information on the results of any federal or state desk reviews of field reviews of its audits during the past three (3) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.
- 16.11. Partner, Supervisory and Staff Qualifications and Experience: The firm should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement and indicate whether each such person is licensed to practice as a certified public accountant in COLORADO. The firm also should provide information on any governmental or other relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.
- 16.12. The firm should provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this assignment. The firm also should indicate how the quality of staff over the term of the agreement will be assured.
- 16.13. Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of Adams County. However, in either case, Adams County retains the right to approve or reject replacements.
- 16.14. Similar Engagements with Other Governmental Entities for the firm's office that will be assigned responsibility for this audit, list the most significant engagements (maximum of

5) performed in the last 3 years that are similar to the engagement described in this request for proposal. These engagements should be ranked on the basis of total staff hours: indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

- 16.15. Similar Engagement with other governmental entities related to implementation of GASB 68.
- 16.16. Specific Audit Approach: The proposal should set forth a work plan, including an explanation of the audit methodology to be followed to perform the services required in Section II of this request for proposal. In developing the work plan, reference should be made to such sources of information as Adams County's budget and related materials, organizational charts, manuals and programs, and financial and other management information systems. Proposers will be required to provide the following information on their audit approach:
 - 16.16.1. Proposed segmentation of the engagement
 - 16.16.2. Level of staff and number of hours to be assigned to each proposed segment of the engagement
 - 16.16.3. Sample sizes and the extent to which statistical sampling is to be used in the engagement
 - 16.16.4. Extent of use of EDP software in the engagement
 - 16.16.5. Type and extent of analytical procedures to be used in the engagement
 - 16.16.6. Approach to be taken to gain and document an understanding of Adams County's internal control structure
 - 16.16.7. Approach to be taken in determining laws and regulations that will be subject to audit test work
 - 16.16.8. Approach to be taken in drawing audit samples for purposes of tests of compliance
 - 16.16.9. Approach to meet the County's desired timelines.
- 16.17. Identification of Anticipated Potential Audit Problems: The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems, and any special assistance that will be requested from Adams County.

17. Total All-Inclusive Maximum Price: The dollar cost bid should contain all pricing information relative to performing the audit engagement as described in this request for proposal. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses. The sealed dollar cost bid must include the following:

- 17.1. Name of Firm
- 17.2. Certification that the person signing the proposal is entitled to represent the firm, and is empowered to submit the bid and authorized to sign a contract with Adams County.
- 17.3. A Total All-inclusive Maximum Price for the 2016 engagement and each subsequent year's price for 2017, 2018, 2019, and 2020.

- 17.4. Rates by Partner, Specialist, Supervisory and Staff level times hours anticipated for each
 - 17.5. Out-of-pocket expenses included in the Total All-inclusive Maximum Price and Reimbursement Rates
 - 17.6. Rates for Additional Professional Services: If it should become necessary for Adams County to request the auditor to render any additional services to either supplement the services requested in this Request For Proposal (RFP) 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 engagement between Adams County and the firm. Any such additional work agreed to between Adams County and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included bid sheet.
- 18. Manner of Payment:** Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's dollar cost bid proposal. Interim billings shall cover a period of not less than a calendar month. Final payment will be made after delivery of audit to the Adams County Board of County Commissioners.

19. Evaluation Procedures:

- 19.1. RFP Evaluation Committee: Proposals submitted will be evaluated by an RFP Evaluation Committee.
- 19.2. Review of Proposals: The RFP Evaluation Committee will use a point system during the review process to score proposals. Each member of the RFP Evaluation Committee will first score each technical proposal by each of the criteria described in Section 20 below. The full RFP Evaluation Committee will then convene to review and discuss these evaluations and to combine the individual scores to arrive at a composite technical score for each firm. At this point, firms with an unacceptably low technical score will be eliminated from further consideration.
- 19.3. After the composite technical score for each firm has been established, additional points will be added to the technical score based on the price bid. The maximum score for price will be assigned to the firm offering the lowest total all-inclusive maximum price. Appropriate fractional scores will be assigned to other proposers.
- 19.4. Adams County reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected.

20. Evaluation Criteria: The following details represent the principal selection criteria that will be considered during the evaluation process.

- 20.1. The audit firm is independent and licensed to practice in Colorado.
- 20.2. The audit firm's professional personnel have received adequate continuing professional education within the preceding two years.
- 20.3. The firm has no conflict of interest with regard to any other work performed by the firm for Adams County.
- 20.4. The firm submits a copy of its most recent external quality control review report and the firm has a record of quality audit work.
- 20.5. The firm adheres to the instructions in this request for proposals on preparing and submitting the proposal and the qualities of the overall proposal.
- 20.6. The firm's past experience and performance on comparable government engagements.
- 20.7. The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.
- 20.8. The firm's ability to perform all audit requirements imposed by Uniform Grant Guidance with regards to the County's federal financial assistance,
- 20.9. Adequacy and qualifications of the proposed staffing for various segments of the engagement.
- 20.10. Ability to meet County timelines.
- 20.11. Demonstrated experience working with GASB 68.
- 20.12. Adequacy of sampling techniques.
- 20.13. Adequacy of analytical procedures.

21. Oral Presentations: During the evaluation process, the RFP Evaluation Committee, at its discretion, may request a firm to make an oral presentation. Such presentation will provide the firm with an opportunity to answer any questions the RFP Evaluation Committee may have on the firm's proposal. Not all firms may be asked to make such oral presentations.

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Submittal Checklist

- Response to RFP
- Vendor Information Form
- W-9
- Contractor's Certification of Compliance
- Proposal Form/Contractor's Statement
- References
- 6 number of paper copies
- One CD or Flash Drive of submitted proposal in a single PDF document

CONTRACTOR'S CERTIFICATION OF COMPLIANCE

Pursuant to Colorado Revised Statute, § 8-17.5-101, *et. seq.*, as amended 5/13/08, as a prerequisite to entering into a contract for services with Adams County, Colorado, the undersigned Contractor hereby certifies that at the time of this certification, Contractor does not knowingly employ or contract with an illegal alien who will perform work under the attached contract for services and that the Contractor will participate in the E-Verify Program or Department program, as those terms are defined in C.R.S. § 8-17.5-101, *et. seq.* in order to confirm the employment eligibility of all employees who are newly hired for employment to perform work under the attached contract for services.

CONTRACTOR:

Company Name

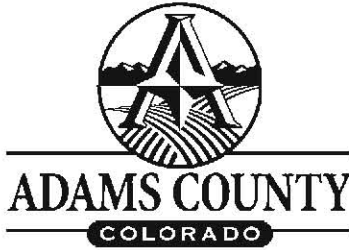
Date

Name (Print or Type)

Signature

Title

Note: Registration for the E-Verify Program can be completed at: <https://www.vis-dhs.com/employerregistration>. It is recommended that employers review the sample "memorandum of understanding" available at the website prior to registering



PROPOSAL FORM
External Audit Services

CONTRACTOR'S STATEMENT

I have read and fully understand all the special conditions herein set forth in the foregoing paragraphs, and by my signature set forth hereunder, I hereby agree to comply with all said special conditions as stated or implied. In consideration of the above statement, the following proposal is hereby submitted.

Written Amount _____ \$ _____
Amount

WE, THE UNDERSIGNED, HEREBY ACKNOWLEDGE RECEIPT OF

Addenda # _____ Addenda # _____
If None, Please write NONE.

Company Name	Date
Address	Signature
City, State, Zip Code	Printed Name
County	Title
Telephone	Fax
Email Address	

SAMPLE OF PURCHASE OF SERVICE AGREEMENT

THIS AGREEMENT ("Agreement") is made this ____ day of _____ 2016, by and between the Adams County Board of County Commissioners, located at 4430 South Adams County Parkway, Brighton, Colorado 80601, hereinafter referred to as the "County," and Winner123, located at Address123, hereinafter referred to as the "Contractor." The County and the Contractor may be collectively referred to herein as the "Parties".

The County and the Contractor, for the consideration herein set forth, agree as follows:

1. SERVICES OF THE CONTRACTOR:

- 1.1. All work shall be in accordance with the attached RFP xxxxx and the Contractor's response to the RFP xxxxx attached hereto as Exhibit A, and incorporated herein by reference. Should there be any discrepancy between Exhibit A and this Agreement the terms and conditions of this Agreement shall prevail.
- 1.2. Emergency Services: In the event the Adams County Board of County Commissioners declares an emergency, the County may request additional services (of the type described in this Agreement or otherwise within the expertise of the Contractor) to be performed by the Contractor. If the County requests such additional services, the Contractor shall provide such services in a timely fashion given the nature of the emergency, pursuant to the terms of this Agreement. Unless otherwise agreed to in writing by the parties, the Contractor shall bill for such services at the rates provided for in this Agreement.

2. RESPONSIBILITIES OF THE COUNTY: The County shall provide information as necessary or requested by the Contractor to enable the Contractor's performance under this Agreement.

3. TERM:

- 3.1. Term of Agreement: The Term of this Agreement shall be for one-year from the date of this Agreement.
- 3.2. Extension Option: The County, at its sole option, may offer to extend this Agreement as necessary for up to two, one year extensions providing satisfactory service is given and all terms and conditions of this Agreement have been fulfilled. Such extensions must be mutually agreed upon in writing by the County and the Contractor.

4. PAYMENT AND FEE SCHEDULE: The County shall pay the Contractor for services furnished under this Agreement, and the Contractor shall accept as full payment for those services, the sum of:

- 4.1. Payment pursuant to this Agreement, whether in full or in part, is subject to and contingent upon the continuing availability of County funds for the purposes hereof. In the event that funds become unavailable, as determined by the County, the County may immediately terminate this Agreement or amend it accordingly.

5. INDEPENDENT CONTRACTOR: In providing services under this Agreement, the

Contractor acts as an independent contractor and not as an employee of the County. The Contractor shall be solely and entirely responsible for his/her acts and the acts of his/her employees, agents, servants, and subcontractors during the term and performance of this Agreement. No employee, agent, servant, or subcontractor of the Contractor shall be deemed to be an employee, agent, or servant of the County because of the performance of any services or work under this Agreement. The Contractor, at its expense, shall procure and maintain workers' compensation insurance as required by law. **Pursuant to the Workers' Compensation Act § 8-40-202(2)(b)(IV), C.R.S., as amended, the Contractor understands that it and its employees and servants are not entitled to workers' compensation benefits from the County. The Contractor further understands that it is solely obligated for the payment of federal and state income tax on any moneys earned pursuant to this Agreement.**

6. NONDISCRIMINATION:

6.1. The Contractor shall not discriminate against any employee or qualified applicant for employment because of age, race, color, religion, marital status, disability, sex, or national origin. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices provided by the local public agency setting forth the provisions of this nondiscrimination clause. Adams County is an equal opportunity employer.

6.1.1. The Contractor will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Agreement so that such provisions will be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

7. INDEMNIFICATION: The Contractor agrees to indemnify and hold harmless the County, its officers, agents, and employees for, from, and against any and all claims, suits, expenses, damages, or other liabilities, including reasonable attorney fees and court costs, arising out of damage or injury to persons, entities, or property, caused or sustained by any person(s) as a result of the Contractor's performance or failure to perform pursuant to the terms of this Agreement or as a result of any subcontractors' performance or failure to perform pursuant to the terms of this Agreement.

8. INSURANCE: The Contractor agrees to maintain insurance of the following types and amounts:

8.1. Commercial General Liability Insurance: to include products liability, completed operations, contractual, broad form property damage and personal injury.

8.1.1. Each Occurrence: \$1,000,000

8.1.2. General Aggregate: \$2,000,000

8.2. Comprehensive Automobile Liability Insurance: to include all motor vehicles owned, hired, leased, or borrowed.

8.2.1. Bodily Injury/Property Damage: \$1,000,000 (each accident)

8.2.2. Personal Injury Protection: Per Colorado Statutes

8.3. Workers' Compensation Insurance: Per Colorado Statutes

8.4. Professional Liability Insurance: to include coverage for damages or claims for damages

arising out of the rendering, or failure to render, any professional services, as applicable.

8.4.1. Each Occurrence: \$1,000,000

8.4.2. This insurance requirement applies only to the Contractors who are performing services under this Agreement as professionals licensed under the laws of the State of Colorado, such as physicians, lawyers, engineers, nurses, mental health providers, and any other licensed professionals.

8.5. Adams County as "Additional Insured": The Contractor's commercial general liability, comprehensive automobile liability, and professional liability insurance policies and/or certificates of insurance shall be issued to include Adams County as an "additional insured" and shall include the following provisions:

8.5.1. Underwriters shall have no right of recovery or subrogation against the County, it being the intent of the parties that the insurance policies so affected shall protect both parties and be primary coverage for any and all losses resulting from the actions or negligence of the Contractor.

8.5.2. The insurance companies issuing the policy or policies shall have no recourse against the County for payment of any premiums due or for any assessments under any form of any policy.

8.5.3. Any and all deductibles contained in any insurance policy shall be assumed by and at the sole risk of the Contractor.

8.6. Licensed Insurers: All insurers of the Contractor must be licensed or approved to do business in the State of Colorado. Upon failure of the Contractor to furnish, deliver and/or maintain such insurance as provided herein, this Agreement, at the election of the County, may be immediately declared suspended, discontinued, or terminated. Failure of the Contractor in obtaining and/or maintaining any required insurance shall not relieve the Contractor from any liability under this Agreement, nor shall the insurance requirements be construed to conflict with the obligations of the Contractor concerning indemnification.

8.7. Endorsement: Each insurance policy herein required shall be endorsed to state that coverage shall not be suspended, voided, or canceled without thirty (30) days prior written notice by certified mail, return receipt requested, to the County.

8.8. Proof of Insurance: At any time during the term of this Agreement, the County may require the Contractor to provide proof of the insurance coverage or policies required under this Agreement.

9. TERMINATION:

9.1. For Cause: If, through any cause, the Contractor fails to fulfill its obligations under this Agreement in a timely and proper manner, or if the Contractor violates any of the covenants, conditions, or stipulations of this Agreement, the County shall thereupon have the right to immediately terminate this Agreement, upon giving written notice to the Contractor of such termination and specifying the effective date thereof.

9.2. For Convenience: The County may terminate this Agreement at any time by giving written notice as specified herein to the other party, which notice shall be given at least thirty (30) days prior to the effective date of the termination. If this Agreement is terminated by the County, the Contractor will be paid an amount that bears the same

ratio to the total compensation as the services actually performed bear to the total services the Contractor was to perform under this Agreement, less payments previously made to the Contractor under this Agreement.

10. MUTUAL UNDERSTANDINGS:

- 10.1. Jurisdiction and Venue: The laws of the State of Colorado shall govern as to the interpretation, validity, and effect of this Agreement. The parties agree that jurisdiction and venue for any disputes arising under this Agreement shall be with Adams County, Colorado.
- 10.2. Compliance with Laws: During the performance of this Agreement, the Contractor agrees to strictly adhere to all applicable federal, state, and local laws, rules and regulations, including all licensing and permit requirements. The parties hereto aver that they are familiar with § 18-8-301, et seq., C.R.S. (Bribery and Corrupt Influences), as amended, and § 18-8-401, et seq., C.R.S. (Abuse of Public Office), as amended, and that no violation of such provisions are present. The Contractor warrants that it is in compliance with the residency requirements in §§ 8-17.5-101, et seq., C.R.S. Without limiting the generality of the foregoing, the Contractor expressly agrees to comply with the privacy and security requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA).
- 10.3. OSHA: The Contractor shall comply with the requirements of the Occupational Safety and Health Act (OSHA) and shall review and comply with the County's safety regulations while on any County property. Failure to comply with any applicable federal, state or local law, rule, or regulation shall give the County the right to terminate this agreement for cause.
- 10.4. Record Retention: The Contractor shall maintain records and documentation of the services provided under this Agreement, including fiscal records, and shall retain the records for a period of three (3) years from the date this Agreement is terminated. Said records and documents shall be subject at all reasonable times to inspection, review, or audit by authorized Federal, State, or County personnel.
- 10.5. Assignability: Neither this Agreement, nor any rights hereunder, in whole or in part, shall be assignable or otherwise transferable by the Contractor without the prior written consent of the County.
- 10.6. Waiver: Waiver of strict performance or the breach of any provision of this Agreement shall not be deemed a waiver, nor shall it prejudice the waiving party's right to require strict performance of the same provision, or any other provision in the future, unless such waiver has rendered future performance commercially impossible.
- 10.7. Force Majeure: Neither party shall be liable for any delay or failure to perform its obligations hereunder to the extent that such delay or failure is caused by a force or event beyond the control of such party including, without limitation, war, embargoes, strikes, governmental restrictions, riots, fires, floods, earthquakes, or other acts of God.
- 10.8. Notice: Any notices given under this Agreement are deemed to have been received and to be effective: 1) Three (3) days after the same shall have been mailed by certified

mail, return receipt requested; 2) Immediately upon hand delivery; or 3) Immediately upon receipt of confirmation that an email was received. For the purposes of this Agreement, any and all notices shall be addressed to the contacts listed below:

Department: Adams County (department name)

Contact:

Address:

City, State, Zip:

Phone:

Email:

Department: Adams County Purchasing

Contact:

Address: 4430 South Adams County Parkway

City, State, Zip: Brighton, Colorado 80601

Phone:

Email:

Department: Adams County Attorney's Office

Address: 4430 South Adams County Parkway

City, State, Zip: Brighton, Colorado 80601

Phone: 720.523.6116

Email:

Contractor: Winner123

Contact:

Address:

City, State, Zip:

Phone:

Email:

10.9. Integration of Understanding: This Agreement contains the entire understanding of the parties hereto and neither it, nor the rights and obligations hereunder, may be changed, modified, or waived except by an instrument in writing that is signed by the parties hereto.

10.10. Severability: If any provision of this Agreement is determined to be unenforceable or invalid for any reason, the remainder of this Agreement shall remain in effect, unless otherwise terminated in accordance with the terms contained herein.

10.11. Authorization: Each party represents and warrants that it has the power and ability to enter into this Agreement, to grant the rights granted herein, and to perform the duties and obligations herein described.

11. CHANGE ORDERS OR EXTENSIONS:

11.1. Change Orders: The County may, from time to time, require changes in the scope of the services of the Contractor to be performed herein including, but not limited to, additional instructions, additional work, and the omission of work previously ordered. The Contractor shall be compensated for all authorized changes in services, pursuant to the applicable provision in the Invitation to Bid, or, if no provision exists, pursuant

to the terms of the Change Order.

- 11.2. Extensions: The County may, upon mutual written agreement by the parties, extend the time of completion of services to be performed by the Contractor.

12. COMPLIANCE WITH C.R.S. § 8-17.5-101, ET. SEQ. AS AMENDED 5/13/08: Pursuant to Colorado Revised Statute (C.R.S.), § 8-17.5-101, *et. seq.*, as amended May 13, 2008, the Contractor shall meet the following requirements prior to signing this Agreement (public contract for service) and for the duration thereof:

- 12.1. The Contractor shall certify participation in the E-Verify Program (the electronic employment verification program that is authorized in 8 U.S.C. § 1324a and jointly administered by the United States Department of Homeland Security and the Social Security Administration, or its successor program) or the Department Program (the employment verification program established by the Colorado Department of Labor and Employment pursuant to C.R.S. § 8-17.5-102(5)) on the attached certification.
- 12.2. The Contractor shall not knowingly employ or contract with an illegal alien to perform work under this public contract for services.
- 12.3. The Contractor shall not enter into a contract with a subcontractor that fails to certify to the Contractor that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under this public contract for services.
- 12.4. At the time of signing this public contract for services, the Contractor has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under this public contract for services through participation in either the E-Verify Program or the Department Program.
- 12.5. The Contractor shall not use either the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while this public contract for services is being performed.
- 12.6. If the Contractor obtains actual knowledge that a subcontractor performing work under this public contract for services knowingly employs or contracts with an illegal alien, the Contractor shall: notify the subcontractor and the County within three (3) days that the Contractor has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and terminate the subcontract with the subcontractor if within three days of receiving the notice required pursuant to the previous paragraph, the subcontractor does not stop employing or contracting with the illegal alien; except that the Contractor shall not terminate the contract with the subcontractor if during such three (3) days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.
- 12.7. Contractor shall comply with any reasonable requests by the Department of Labor and Employment (the Department) made in the course of an investigation that the Department is undertaking pursuant to the authority established in C.R.S. § 8-17.5-102(5).

12.8. If Contractor violates this Section, of this Agreement, the County may terminate this Agreement for breach of contract. If the Agreement is so terminated, the Contractor shall be liable for actual and consequential damages to the County.

The remainder of this page is left blank intentionally.

SAMPLE

IN WITNESS WHEREOF, the Parties have caused their names to be affixed hereto:

Board of County Commissioners

Chairperson Date

Winner123

Signature Date

Printed Name Title

Attest:

Stan Martin, Clerk and Recorder

Deputy Clerk

Approved as to Form: _____
Adams County Attorney's Office

NOTARIZATION OF CONTRACTOR'S SIGNATURE:

COUNTY OF _____)

STATE OF _____)SS.

Signed and sworn to before me this ____ day of _____, 2016,

by _____,

Notary Public

My commission expires on: _____

CONTRACTOR'S CERTIFICATION OF COMPLIANCE

Pursuant to Colorado Revised Statute, § 8-17.5-101, *et.seq.*, as amended 5/13/08, as a prerequisite to entering into a contract for services with Adams County, Colorado, the undersigned Contractor hereby certifies that at the time of this certification, Contractor does not knowingly employ or contract with an illegal alien who will perform work under the attached contract for services and that the Contractor will participate in the E-Verify Program or Department program, as those terms are defined in C.R.S. § 8-17.5-101, *et. seq.* in order to confirm the employment eligibility of all employees who are newly hired for employment to perform work under the attached contract for services.

CONTRACTOR:

Company Name

Date

Signature

Name (Print or Type)

Title

Note: Registration for the E-Verify Program can be completed at: <https://www.vis-dhs.com/employerregistration>. It is recommended that employers review the sample "memorandum of understanding" available at the website prior to registering

PASSED ADJUSTMENT SUMMARY
Adams County, Colorado
Open Space Sales Tax Fund
Year Ended December 31, 2014

Effect of misstatements on:

Description	Assets	Liabilities	Fund Balance/Net Position	Net Expense/Revenue and Change in Net Position/Fund Balance
To correct the overstatement of sales tax revenue relating to October's amount received by Adams County in the Open Space Sales Tax Fund for the year ended December 31, 2014.	\$ (179,387)		\$ 179,387	\$ 179,387
Subtotals	<u>(179,387)</u>	<u>-</u>	<u>179,387</u>	<u>179,387</u>
Net prior year misstatements	-	-		
Total misstatements	<u>\$ (179,387)</u>	<u>\$ -</u>	<u>\$ 179,387</u>	<u>\$ 179,387</u>

PASSED ADJUSTMENT SUMMARY
Adams County, Colorado
Insurance Claims Fund
Year Ended December 31, 2014

Effect of misstatements on:

Description	Assets	Liabilities	Fund Balance/Net Position	Net Expense/Revenue and Change in Net Position/Fund Balance
To correct the retainer account balance for the Insurance Claims Fund as of December 31, 2014.	\$ 49,000		\$ (49,000)	\$ (49,000)
Subtotals	49,000	-	(49,000)	(49,000)
Net prior year misstatements	-	-		
Total misstatements	\$ 49,000	\$ -	\$ (49,000)	\$ (49,000)

PASSED ADJUSTMENT SUMMARY
Adams County, Colorado
Front Range Airport Fund
Year Ended December 31, 2014

Effect of misstatements on:

Description	Assets	Liabilities	Fund Balance/Net Position	Net Expense/Revenue and Change in Net Position/Fund Balance
To correct depreciation expense for the year ended December 31, 2014 for the Front Range Airport Fund due to a prior year error that was recorded in 2014.			\$ (163,904)	\$ 163,904
Subtotals	-	-	(163,904)	163,904
Net prior year misstatements	-	-	163,904	
Total misstatements	\$ -	\$ -	\$ -	\$ 163,904

Adams County, Colorado
 Exhibit A - Audit Adjustments
 December 31, 2015

General Fund:

<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
Allowance for Uncollectibles	To adjust the property tax receivable and deferred inflow of resources to agree to the millly level certified in 2015.	\$ 6,322	\$ -
Deferred Property Taxes		1,799,872	-
Taxes Receivable - Current		-	1,806,194
Total		<u>\$ 1,806,194</u>	<u>\$ 1,806,194</u>

Workforce and Business Center Fund:

Cash In Bank	To reclassify accounts receivable to cash as it was received before December 31 2015.	\$ 608,952	\$ -
Accounts Receivable		-	608,952
Total		<u>\$ 608,952</u>	<u>\$ 608,952</u>

SUMMARY OF UNCORRECTED MISSTATEMENTS - AUDIT
Adams County Government
Open Space Sales Tax Fund
Year Ended December 31, 2015

UNCORRECTED ADJUSTMENTS

Effect of misstatements on:

Description	Assets	Liabilities	Fund Balance / Net Position	Net Expense/Revenue and Change in Net Position / Fund Balance
To correct the understatement of sales tax revenue relating to prior year overstatement of revenues due to clerical error in prior year recording.			\$ 157,249	\$ (157,249)
Net current year misstatements (Iron Curtain Method)	-	-	157,249	(157,249)
Net prior year misstatements			(157,249)	
Combined current and prior year misstatements (Rollover Method)	\$ -	\$ -	\$ -	\$ (157,249)
Financial statement totals	\$ 38,518,866	\$ 2,962,505	\$ 35,556,361	\$ 3,473,922
Current year misstatement as a % of financial statement totals (Iron Curtain Method)			0%	-5%
Current and prior year misstatement as a % of financial statement totals (Rollover Method)				-5%

SUMMARY OF UNCORRECTED MISSTATEMENTS - AUDIT
Adams County Government
Front Range Airport Fund
Year Ended December 31, 2015

UNCORRECTED ADJUSTMENTS

Effect of misstatements on:

Description	Assets	Liabilities	Fund Balance / Net Position	Net Expense/Revenue and Change in Net Position / Fund Balance
To correct the overstatement of accounts receivable due to uncollectability of an account for the year-ended December 31, 2015.	(213,606)		213,606	213,606
Net current year misstatements (Iron Curtain Method)	(213,606)	-	213,606	213,606
Net prior year misstatements	-	-		-
Combined current and prior year misstatements (Rollover Method)	<u>\$ (213,606)</u>	<u>\$ -</u>	<u>\$ 213,606</u>	<u>\$ 213,606</u>
Financial statement totals	<u>\$ 29,969,341</u>	<u>\$ 1,230,932</u>	<u>\$ 28,613,932</u>	<u>\$ (1,246,710)</u>
Current year misstatement as a % of financial statement totals (Iron Curtain Method)	-1%		1%	-17%
Current and prior year misstatement as a % of financial statement totals (Rollover Method)	-1%		1%	-17%

**Addendum #1
2016.712**

External Auditor Services

**All documents and Addendum related to this RFP
will be posted on the Rocky Mountain Bid System at:
<http://www.rockymountainbidsystem.com/Bids/ViewOpenSolicitations.asp>**

**Proposal Opening Date: October 17, 2016
Time: 2:00 p.m.**

**Location: Adams County Government Center
4430 South Adams County Parkway
4th Floor, C4000A
Brighton, CO 80601**



External Auditor Services - RFP#2016.712

1. **Q: “Why is the County going out to bid and how often does the County go out to bid? Does the County require firm rotation or will the current auditors be invited to propose?”**

A: Our 5 year contract has expired and the BOCC would like contract to ideally not to extend beyond 5 years.

2. **Q: “Has the County evaluated the impact to the CAFR of the new GASB standards on fair value reporting and abatements?”**

A: In process. The County has a plan to address the standards soon.

3. **Q: “Are there any expected significant changes to federal funding that would impact the major fund determination under the Uniform Guidance?”**

A: There are no expected significant changes.

4. **Q: “Have there been any major events/transactions that have occurred during 2016 that would impact the financial statement audit (i.e. major debt issuances or capital improvements, or changes to funds)?”**

A: No new debt issues. There are several capital projects in progress that have been previously budgeted.

5. **Q: “Are there any major events/transactions anticipated for fiscal year 2017 through 2019 that are known at this time?”**

A: There are no major events/transactions that are known at this time.

6. **Q: “Are you willing to share your thoughts on how, or if, the process for completing the audit could be improved? What is most important to you in working with your auditors?”**

A: Clear communication between the audit lead, audit staff and the County staff. Provide requests or PBC lists prior to the audit fieldwork allowing the County staff as much time as possible and anticipation of items needed for the audit. We would like to work with the auditor in prioritizing the requested items with expected deliverable dates. Weekly status meeting between the auditors and the County is very important to the success of the audit.

We value auditors that can work with large Counties and their complex activities. We feel having the knowledge of Human Services accounting is very important.

7. **Q: “What tools (e.g. disclosure checklists) has the County historically used in preparing the financial statements to ensure financial statements and disclosures are complete and pursuant to current guidance? What resources would the County like the auditor to provide?”**

A: Trial Balance and reports from JD Edwards. The County would like the auditors to provide guidance on implementation of GASB 74, 75, and 78 prior to the period of implementation.

8. Q: "What challenges does the County expect to face over the next five years (i.e. accounting system limitations including peripheral applications, etc.)? How can the auditor provide help to the County with these challenges, taking into consideration independence requirements?"

A: *We are not anticipating implementing new accounting system.*

9. Q: "Does the County have an internal audit function? Is the assistance of the County's internal auditor(s) made available to the external auditor during the audit process?"

A: *Yes, we have a contracted internal audit function. They can be made available to the external auditor during the audit process.*

10. Q: "Were there any known instances of fraud or illegal acts during 2016?"

A: *No.*

11. Q: "Any litigation against the County during 2016?"

A: *No litigation that is out of the ordinary for a complex county government.*

12. Q: "Does the County utilize outside service providers for any significant functions (i.e. payroll services)?"

A: *No.*

13. Q: "Is the County willing to share historic audit fees for the County's financial audits?"

A: *Not through this release though we have open records that can be requested through county website.*

14. Q: "Is the County willing to share historical audit hours, or if not known, how many auditors were generally at the County during interim and final fieldwork and how long was the fieldwork generally scheduled?"

A: *No. 5- 6 people for 4-5 weeks each time for both interim and final fieldwork.*

15. Q: "Please provide the following, if applicable, relating to the fiscal year 2015 and 2014 audit for the County:

- A. Audit Adjusting Journal Entries
- B. Passed Adjusting Journal Entries (not posted)
- C. Management Letter (internal control deficiency communication, or SAS 115)
- D. Financial letter to the County Commissioners and/or Audit Committee (SAS 114)"

A: *Item A see Attachment 1 for 2014: No audit adjustment.
Item B see Attachment 2 for 2014 & 2015: See attachments.
Items C & D see Attachments 3-6 County Management's Financial Letter.*

16. Q: "Have the incumbent auditors been invited to propose?"

A: *Yes.*

17. Q: "How long has Adams County used the incumbent auditor?"

A: *5 years.*

18. Q: “What factors are most important in the selection of an auditor?”

A: *1. Open, clear and timely communication
2. Ability to explain the audit findings and conclusion
3. Knowledge and experience in Human Services Grants
4. Knowledge of complex county government*

19. Q: “Are there any changes to the current audit process that the County would like to see made?”

A: *Timely deliverables.*

20. Q: “Do you have any other specific accounting or auditing concerns? What, if any, new regulations, standards, or issues may cause you concern for the upcoming year and beyond?”

A: *Implementation of GASB statements.*

21. Q: “Have there been any changes in key personnel at Adams County in the past year, or are any significant changes expected in the next year?”

A: *A new Interim Deputy County Manager.*

22. Q: “Has there been any significant turnover in other personnel within the finance department in the past year?”

A: *2 new Accounting Supervisors in Human Services and General Accounting.*

23. Q: “Have there been any disagreements with the incumbent auditors related to technical issues?”

A: *No.*

24. Q: “Have any oversight agencies performed any audits in the past 5 years? If so, what were the results?”

A: *No.*

25. Q: “Has there been any significant fraud in the past 5 years?”

A: *No.*

26. Q: “Is there any significant ongoing litigation at the present?”

A: *No.*

27. Q: “What were the disaggregated fees (CAFR audit, Single Audit, any other fees) for the audit for 2014 and 2015?”

A: *The fees were aggregated.*

28. Q: **“Were there any additional billings outside of the agreed upon fee for the audit for 2014 or 2015? If so, what did these additional billings pertain to?”**

A: *Yes, CAFR preparation for 2014.*

29. Q: **“Would you provide the approximate number of hours required to complete the audit? If not known, how many auditors were onsite for interim and final fieldwork and for how long?”**

A: *Exact hours are not tracked. We believe that the firm had approximately 5- 6 people for 4-5 weeks each time for both interim and final fieldwork.*

30. Q: **“What is the anticipated timing of interim and final fieldwork procedures?”**

A: *See RFP*

31. Q: **“Are there any anticipated changes in federal funding that would impact major program determination in 2016 and beyond?”**

A: *No.*

32. Q: **“How many major programs does Adams County expect in 2016? In subsequent years?”**

A: *We do not have the final SEFA numbers at this time, and, therefore, cannot determine the number of major single audit programs for 2016.*

33. Q: **“Have there been any major events/transactions that have occurred since fiscal year end 2015 that would impact the financial statement audit?”**

A: *No.*

34. Q: **“What was the nature of audit adjustments that were recorded in 2014 and 2015?”**

A: *Primarily related to errors in certain accounts receivable calculations and revenue accruals at year-end. This relates to audit and passed audit adjustments.*

35. Q: **“Were there any unrecorded/passed audit adjustments noted in 2014 and/or 2015? If there were, please describe the nature of these adjustments?”**

A: *See answer to question 34*

36. Q: **“Please provide a copy of any other communications from the auditors from 2014 and 2015 (i.e. management letter, post-audit letters to those charged with governance, etc). If these are not available for distribution, please provide a summary of any written control deficiencies identified by the auditors in 2014 and 2015.”**

A: *See answer to question 15*

37. Q: **“Does the County have any specific preferences as to the timing of specific audit procedures/sections (i.e. component units included in the scope of the County audit, single**

audit, etc)? Should these be performed at the same time, or can certain procedures, such as single audit testing, be performed prior to the commencement of final CAFR fieldwork?"

A: *Single audit should be performed in January prior to the financial audit in April. See RFP*

38. Q: "Who performs the audit of the Adams County Retirement Plan?"

A: *CliftonLarsonAllen LLP*

39. Q: "When does Adams County expect the Adams County Retirement Plan audit to be completed and issued?"

A: *May 02, 2017*

40. Q: "If there are any potential exceptions to the sample service contract included in the RFP, should these be included in the proposal response?"

A: *Yes as we would like to know in advance of any potential contractual issues that our legal office would like advance notice of.*

41. Q: "Please clarify the information to be included in the separately sealed pricing document. Section 5.4 under General Instructions identifies section 18 under Scope, however, questions related to pricing appear to begin under Section 17 Total All-Inclusive Maximum Price within the Scope of Work section."

A: *All pricing information should be included in the separate sealed envelope.*

42. Q: "Section 5.6 under General Instructions indicates the proposal "must be submitted on a CD or Flash Drive in a single PDF file." Please confirm this is referring to the format of the technical proposal, since, per our understanding of sections 5.4 and 5.21 in General Instructions and Technical Proposal Section 16.1 under Scope of Work, fees are to be included in a separate document."

A: *For the electronic PDF file, the entire proposal including pricing should be in one singular PDF file.*

43. Q: "Technical proposal section 16.15 – please specify the type of information sought in reference to implementation of GASB 68. Should this section be formatted similarly to section 16.14, or is a narrative format acceptable?"

A: *Answer should be in the same format as 16.14.*

44. Q: "Please specify whether paper copies of each document are required and if so, how many (printed copies are mentioned in the submittal checklist, however, elsewhere in the RFP it appears only electronic documents are required)."

A: *Both paper copies and a single electronic PDF on CD or Flashdrive must be submitted. The number of paper copies to be submitted is 6.*

45. Q: "Please advise how the Amount field on the proposal Form should be completed, since some sections of the RFP indicate pricing must be submitted in a separately sealed envelope."

Section 15.1.4 indicates executed proposer guarantees and warranties (Appendix A and Appendix B) are to be included in proposers' RFP responses, however, these documents do not appear to have been included in the RFP. While they are described as the last two pages of the RFP, it does not appear the forms at the end of the RFP (a Notarization Form and Certification of Compliance) are the intended forms. If Appendix A and Appendix B are required, please provide."

A: *Executed copies of the Proposer Guarantees and Proposer Warranties are to be attached to your RFP as Appendix A and Appendix B, said Guarantees and Warranties are vender generated.*

46. Q: **"We noted the RFP indicates we are supposed to submit the proposal by PDF files on a CD, with hard copies of the two forms. Then we noted towards the back on the submittal checklist, it says we are to submit 6 paper copies and one CD. Can you clarify how many copies are needed?"**

A: *6 paper copies are requested with one CD or Flashdrive containing one PDF of the entire submittal.*

47. Q: **"On the 2nd page of the RFP under General Instructions, #5.4, it says the fees are to be submitted separate. On the checklist it then noted the proposal should be submitted in a single PDF document on the CD. Can you clarify if the fees document should be separate PDF on the CD and hard copy?"**

A: *For the paper copies, one separate envelope containing the pricing should be submitted. As for the electronic PDF, please have everything in one single PDF on CD or Flashdrive.*



**Request for Proposal No.
RFP-SPH-2016.712**

TITLE PAGE

October 17, 2016

TECHNICAL Proposal to provide professional auditing services to:

Adams County, Colorado

Prepared by:

CliftonLarsonAllen LLP
8390 E. Crescent Pkwy., Suite 500
Greenwood Village, CO 80111

Mark D. Elmshauser, CPA, Principal
303-779-5710
mark.elmshauser@CLAAconnect.com



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

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SEALED DOLLAR COST BID:

Total All-Inclusive Maximum Price..... Under Separate Cover

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A: Required Forms

B: Engagement Team Resumes





CliftonLarsonAllen

CliftonLarsonAllen LLP
8390 E. Crescent Pkwy., Suite 500
Greenwood Village, CO 80111
303-779-5710 | fax 303-779-0348
www.CLAconnect.com

TRANSMITTAL LETTER

October 17, 2016

Mr. Benjamin Dahlman, Finance Director
Adams County Government Center
4430 South Adams County Parkway, 4th Floor, C4000A
Brighton, CO 80601

Re: Request for Proposal for Professional Auditing Services – RFP No. RFP-SPH-2016.712

Dear Mr. Dahlman:

Thank you for inviting CliftonLarsonAllen LLP (CLA) to propose our services to you. We gladly welcome the opportunity to share our approach to provide professional auditing services for Adams County (the County). The enclosed proposal responds to your request for audit and compliance services for the year ending December 31, 2016, with the option of auditing the County's financial statements for each of the four subsequent years ending December 31st.

Understanding of Work to be Performed

The audit will be performed in accordance with auditing standards generally accepted in the United States of America and the standards set forth for financial audits in *Government Auditing Standards* issued by the Comptroller General of the United States, and the provisions of *2 CFR Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (the Uniform Guidance), Subpart F.

CLA is among the nation's leading professional services firms with an exceptional level of knowledge, insight, and dedication to serving public sector entities. In the following pages, we hope to demonstrate why CLA is your best choice. The following are some of the key benefits of choosing CLA to continue serving the County:

- **Commitment to the public sector industry** – Our professionals are immersed in your industry. Those selected to serve you are not just accounting practitioners; they are solely dedicated to and have significant exposure, training, and knowledge in providing auditing, accounting, and other management and consulting services to governmental organizations, including counties. With a national client base of more than 9,700 state and local governmental organizations and nonprofits, the firm has established this industry as one of our core industry sectors. In Colorado, our dedicated public sector group of approximately 90 professionals, serves local and state governments, including cities, towns, counties, school districts, special districts, higher education institutions, and various other local government entities.
- **Experience to meet your needs** – Each member of the proposed team has extensive experience in auditing governmental organizations, including the County. This means that your engagement team understands the



complexities of the County's financial reporting requirements and operating environment, saving the County and staff valuable time with audit involvement. Your engagement team also has the following relevant experience:

- The vast majority of local governmental clients prepare and submit a Comprehensive Annual Financial Report (CAFR). Our experience allows us to provide guidance during this process for the County, as well as offer best practices, templates, and interpretation of the related standards.
- Our firm is the number one provider of Single Audits across the country. Your engagement team has extensive experience in performing Single Audits, including Colorado Human Services programs, and can provide valuable guidance to the County regarding the OMB's Uniform Guidance at no additional cost.
- We understand the challenges facing local governmental entities like the County. As such, we can provide insight and ways the County could address these concerns to meet its greater needs. Such insight includes:
 - Ways to combat vulnerabilities surrounding cyber security and new system implementation
 - Internal control policy and procedure best practices and tools
 - Facilitation of trainings and workshops for County staff
- **Commitment to excellence** – We leverage our local experience to provide best practices and valuable feedback to improve processes and overall operations. We are committed to serving as thought leaders in Colorado, and are involved in the following training and other educational opportunities for the Colorado governmental community:
 - We host training sessions each year in Denver (for CPE) to provide GASB updates, internal control and fraud prevention training, Single Audit updates, CAFR preparation techniques, and other relevant topics. These sessions are provided at no cost.
 - Members of your engagement team have led the intermediate and advanced governmental accounting training sessions for the Colorado Government Finance Officers Association (CGFOA) for the last five years. Members of your engagement team have also instructed at the statewide CGFOA conference and the statewide Colorado Government Human Services Financial Officers Association (CGHSFOA) conference.
 - We are willing to provide the County with personalized CPE workshops on-site for 16 hours each year at no additional cost. Recently, we have provided fraud management training to Board members, half-day GASB training to accounting staff, training on the OMB Uniform Guidance, and basic CAFR training to members of governance.
- **Commitment to timely communications and timelines** – Your engagement team will hold weekly meetings to update you on the status and progress of the engagement and answer any questions you may have. We commit to perform the work within the time period as outlined in the County's request for proposal. This commitment requires adherence to a comprehensive timeline and overall game plan, which we will develop collaboratively with County management to ensure it meets your specific deadlines and expectations.



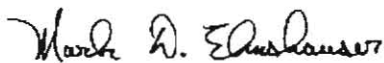
- **Commitment to value** – You'll receive the depth of experience from our firm's national resources while at the same time, the convenience and familiarity of our staff in the local Colorado offices. Our fees are competitive and fair.
- **Commitment to Adams County** – Senior members of your engagement team, including the principal and managers, will be actively involved in this engagement. We are committed to staying closely involved with you throughout our services, so you know your County will be served with a high degree of accuracy, professionalism and timely deliverables. We will be available not only during the audit, but also year-round to assist in answering your questions.

We believe we are the best qualified firm to perform the engagement based on our experience with both Adams County and other Colorado entities similar to the County, and our commitment to providing excellent client service.

We commit to perform the work within the time period defined in the request for proposal. This proposal is a firm and irrevocable offer for 90 days. As of the date of our submittal of this proposal, we are in receipt of Addendum #1 to the County's request for proposal. CLA finds no exceptions and/or assumptions regarding the terms and conditions as set forth in the County's request for proposal. Please find all required forms attached to our proposal response as **Appendix A**.

If you have any questions about our offerings, please do not hesitate to contact me via phone (303-779-5710) or email at mark.elmshouser@CLAconnect.com. As a principal, I am authorized to make presentations and contractually bind the firm, and negotiate the contract on behalf of the firm.

Sincerely,
CliftonLarsonAllen LLP



Mark D. Elmshouser, CPA, Principal

CliftonLarsonAllen LLP
8390 E. Crescent Parkway, Suite 500
Greenwood Village, CO 80111
303-779-5710



UNDERSTANDING OF YOUR NEEDS

We understand that Adams County is seeking an independent public accounting firm interested in conducting financial and compliance audits of the County for the year ending December 31, 2016, with the option of auditing its financial statements for each of the four subsequent years ending December 31st.

We know you have a wide selection of CPA firms when it comes to choosing your accounting firm. We would like to emphasize the fact that CLA hopes to be far more than your accounting firm – we hope to be your trusted advisor by providing the following benefits we believe are our strengths to the audit engagement:

High Quality Audits

As one of the leading national public accounting firms, CLA has developed a very strong and proven audit approach. CLA is required to have an unrelated firm perform an extensive peer review of its quality controls, policies and procedures every three years. CLA has successfully passed all ten independent peer reviews and has received a “no comments” report during its most recent review in 2013. We hold ourselves to very high standards. When you hire CLA, you can be assured that your work is performed with the highest level of quality.

Ability to Meet Your Needs

While we realize Adams County is truly unique, there is nothing like extensive industry experience to qualify a firm for an engagement. Because CLA has been serving municipal governments for over 60 years, we understand the environment in which the County operates. Our professionals are forward-thinking and proactive, and they are committed to assisting the County in overcoming current challenges, as well as potential challenges in the future.

The Engagement Team

At CLA we are able to meet your critical deadlines, as we do not experience the same workload compression that other firms do, so our teams are accessible when you need them.

CLA is the only national firm that does not audit publicly traded companies other than bank holding companies. While other firms are pressing to meet SEC reporting deadlines, we are servicing our public sector clients. Because the public sector is our primary focus, every member of your audit team will have specific municipality and government experience and know your industry. We require our staff members to become specialized and receive industry-specific continuing professional education.

CLA differentiates itself from other leading professional services firms by aligning our professionals with the industries they choose to serve, whereas, other firms are aligned geographically. It is the **passion** of each professional that drives their **choice** to serve a particular industry. Making industry specialization our number one priority grants us the opportunity to focus our efforts on providing clients industry and regulatory information in an efficient manner.

Fair Fees

Our goal is to provide the County with high quality service at a fair fee for these services with no surprises. Our time and fee estimates (under separate cover) reflect our knowledge and extensive experience with audit services for local governmental agencies similar to the County. We are confident we can provide you the in-depth service the County needs to accomplish a fully completed and detailed audit. CLA has worked with many large governmental agencies, including the County, to accomplish successful audits, and we have not encountered any issues with the amount of time it takes to provide our services. CLA will serve the County in a timely, efficient and cost-effective manner.



INDEPENDENCE

All professionals assigned to this engagement are independent of the County and all of the component units of the County as defined by auditing standards generally accepted in the United States of America and the U.S. Government Accountability Office's *Government Auditing Standards* as described below.

CLA has detailed procedures in our Audit & Accounting Manual to foster compliance with independence requirements and to avoid other conflicts of interest. Our policies are extensive and designed to meet the requirements of the AICPA, the U.S. Securities and Exchange Commission (SEC), the PCAOB, state licensing agencies and *Government Auditing Standards*. Some of the key elements of our policies include:

- Independence training for all professionals.
- Annual written representations of independence from all personnel who perform client services.
- Extensive client and engagement acceptance and continuance policies.
- Separate sections in our manual specific to independence over Government Auditing Standards engagements.
- Requirements for confirming independence of outside accounting firms and independent contractors.
- Maintenance of a firm-wide client list and a restricted entities list.

Relationship with the County and Conflict of Interest

Current relationships

CLA currently has the following relationships with Adams County and its component units over the past five years:

- **Adams County** – financial audit and Single Audit services, consent letter, agreed-upon procedures
- **Adams County Retirement Board** – employee benefit plan audit services

We have consulted with our national assurance group regarding our relationships noted above and do not believe these relationships constitute a conflict of interest or impair independence relative to performing the proposed audit. We will give the County written notice of any additional professional relationships entered into with agencies or component units, aside from those listed above, during the period of this engagement.

Conflict of interest

Because of the nature of the relationships listed above, there exists no conflict of interest relative to performing the proposed audit between CLA and members of the engagement team, and the County.

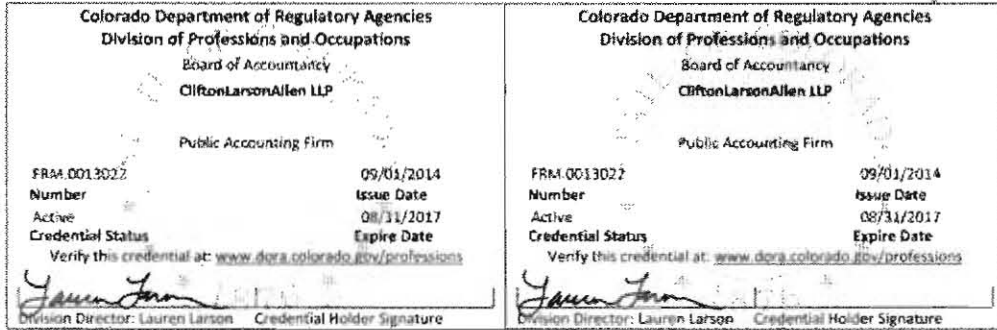
Use of subcontractor

We do not anticipate using any subcontractors during this engagement. CLA is not a joint venture or consortium.



LICENSE TO PRACTICE IN THE STATE OF COLORADO

CLA is a limited liability partnership and is duly licensed to practice public accountancy in the state of Colorado and other states in which it chooses to practice. All principals in the limited liability partnership and managers providing auditing services are licensed certified public accountants in Colorado and their licenses are active. Below is a copy of our license.



1560 Broadway, Suite 1350 Denver, Colorado 80202 Phone 303.894.7800
 Fax 303.894.7693 www.dora.colorado.gov/professions V/TDD 711


FIRM QUALIFICATIONS AND EXPERIENCE

Firm Overview

CLA is a professional services firm delivering integrated wealth advisory, outsourcing, and public accounting capabilities to help position the County to provide effective and efficient governmental services to its constituents.

The CLA Promise

Our interactions with you are designed to support your goals and dreams and impact your success.



Our professionals are immersed in the industries they serve and have specialized knowledge of their operating and regulatory environments. With over 4,600 people, almost 100 U.S. locations, and a global affiliation, we bring a wide array of solutions to help clients in all markets, foreign and domestic.



Our mission:
 Impactful
 interactions
 for success



You can depend on CLA for several uncommon advantages:

Deep industry specialization

Our people are industry practitioners first and foremost. You will work with professionals who know you, your organization, and your industry — and combine their knowledge with yours to make you stronger.

Seamless, integrated capabilities

We offer planning and guidance to help address the County's financial, operational, and regulatory issues, with particular care for you and your organization's leaders. Our people connect with a vast network of resources behind the scenes — seamlessly presented and delivered for you.

THE career building firm

Our professionals are personally invested in your success. You will work with entrepreneurial people with the freedom and agility to serve you rather than merely perform obligatory functions.

For more information about CLA, visit CLAconnect.com/aboutus.

Location of Offices

CLA's Western Region consists of locations in 20 cities across six states. The team assigned to this engagement will serve the County from our Denver area offices at the following locations:

Broomfield Office

370 Interlocken Blvd., Suite 500
Broomfield, CO 80021

Greenwood Village Office

8390 East Crescent Pkwy., Suite 500
Greenwood Village, CO 80111

Governmental Team Qualifications Overview

Every business, organization, and citizen contributes to the success of their community. We want to be the firm that contributes everything we have to help the County move toward its goals. We want to be a value to the communities where we live and work, and continuing to serve the County would allow us to work together to identify and make improvements that directly or indirectly improve the citizen's experience. Other firms may utilize personnel to serve the County whose primary career focus is in an industry other than governments. As citizens, both corporate and individual, we care about governmental clients and have a team committed solely to serving governmental organizations, including counties.

Our services do not begin and end with professional standards for completing an audit. Instead, we provide our service with the intention of offering valuable insights from our work. The time and effort investment by the County's leadership and staff for an audit is significant and the County should expect value for this investment.

We respond to your stated needs in a thorough and easy-to-follow manner. We understand your most important and relevant needs are:

- **A proposed team of professionals carefully selected for compatibility with the County's needs and circumstances** — Your service team understands the strategic, operational, and regulatory issues impacting the County. These professionals dedicate a substantial percentage of their time assisting local governments with financial, regulatory, and information security matters.
- **Efficiency** — Our goal is to provide exceptional client service at the lowest possible cost. A well-planned and well-executed engagement by an experienced service team will minimize disruption to your staff and enable timely completion of all deliverables.
- **Experience and continuity** — Your engagement team members have in-depth experience in local government accounting, auditing, or compliance matters, serving a number of cities and counties in the



state, as well as across the country. We will commit the necessary resources to provide quality client service and timely report delivery. We have an extensive local and national government practice from which to draw resources.

CLA has one of the largest public sector audit and consulting practices in the country. CLA brings extensive experience providing a variety of audit and consulting services to state and local government entities and nonprofit organizations, including internal audits, agreed-upon procedures, compliance audits, financial statement audits, Single Audits in accordance with OMB's Uniform Guidance and a variety of other consulting services. Our Government Services Team serves 9,700 governmental and nonprofit engagements nationwide, including numerous counties, cities, municipalities, states and state agencies, public school districts, and colleges/universities.

CLA's governmental audit staff includes more than 700 professionals. Because we have such a large governmental audit practice, every member of your engagement team will have governmental audit experience. These individuals serve governmental entities throughout Colorado, including many similar entities. Additionally, we have access to firm-wide experts and resources as needed to fulfill the requirements of the engagement.

From our Colorado offices, where the County will be served from, we have approximately 140 professionals. Of those, we have 19 principals, 42 managers, approximately 51 senior associates and associates and over 27 administrative staff. Our Colorado public sector staff consists of 11 principals, 26 managers and approximately 40 other professionals including senior associates and associates.

For the County's financial statement audit and Single Audit, we anticipate assigning nine professionals from our governmental team for each segment. Two managers, one senior associate and two associates will be on site on a full-time basis for the financial statement audit and the Single Audit, while the principal would be on site on a part-time basis. Another principal will also be assigned to perform the unassociated review of the financial statements and work papers and would be available for consultation. An IT manager and associate will be on site on a part-time basis.

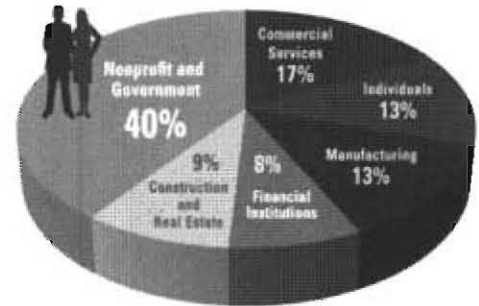
Local Activities

Our clients range in size from under \$500,000 to over \$10 billion in revenue. We provide services in assurance, tax, advice and consultation for governments and nonprofits, entrepreneurial business services, technology consulting, valuation and forensic, financial, special district, and employee benefit plan services.

Our local public sector audit team rivals that of any other firm in the state of Colorado. Our team has a significant and dedicated focus on auditing governmental entities. As noted, we have ample resources to provide quality services to a large engagement such as the audit of the County.

Additionally, we have full-time employees in our national office that are focused on keeping professionals of CLA informed on the latest news and legislative information pertaining to the public sector accounting and auditing arena through memos, periodic webcasts, and annual national trainings. They are available for technical consultations throughout the engagement as needed.

CliftonLarsonAllen's Nonprofit and Government Focus (Percent of Total Revenue by Industry)



*Above chart is based on FY14 net revenue

The single-most important factor in our firm's success has been our uncompromising commitment to the highest standards of quality and professionalism. Providing quality service to our clients is our sole focus, and we have developed review procedures and communications to foster high standards of performance.

The firm's operating philosophy differs from many other large CPA firms. We are dedicated to the public sector practice. We serve our clients through close personal involvement by all our principals, managers, and experienced professional staff. The public sector industry is the primary focus of our firm in Colorado, therefore giving us considerable depth of experience and knowledge.

We will staff the project with highly experienced personnel. If for some unforeseen reason, the assigned staff are unable to complete the work, we can seamlessly provide you with appropriate replacements, experienced with the same or similar projects.

The engagement team's focus on public sector auditing gives our clients a knowledgeable audit team able to provide:

- An efficient audit, reducing the time requirements of the County
- Timely responses to technical questions year-round
- Valuable management advice year-round

Local Office Capabilities and Experience

Experience with GASB

As noted throughout this document, CLA works with hundreds of state and local governments across the nation who utilize GASB standards and principles as the primary source of generally accepted accounting principles. As such, from associates to principals, we are committed to staying ahead of the curve with respect to changes in accounting and auditing standards, particularly those GASB standard changes that are likely to impact our public sector clients. Our objective is to understand the nature of changes, as they are being developed, so that when new pronouncements become effective, we have a depth of understanding to assist our clients with the related implementation, all at no additional cost.

We know that it takes a continuous effort to stay current on the latest issues and trends affecting governmental entities. Our dedication to the public sector results in professionals that are knowledgeable and experienced with GASB standards and other standards that impact state and local governments.

In addition to ongoing communications through in-person trainings, webinars, and newsletters, we will provide continuous insight to the County so that you are aware of and prepared for any significant changes in accounting and reporting applicable to government organizations. For example, our Denver office led the charge on the implementation of GASB Statement No. 68 for our clients, leading local trainings as far back as five years ago. At these trainings, over 200 individuals from state and local governments around the Denver metro area attended.

In addition, given our knowledge on the subject, local CLA representatives were asked over the past several years to speak on the subject at GFOA conventions and other conferences. These local trainings were reinforced by webinars led by CLA's national office along with newsletters and email communications assisting our clients with the GASB Statement No. 68 implementation. Lastly, we provided a helpful spreadsheet tool that assisted our clients in the recording of the net pension liability (or asset) and future amortization of the related deferred inflows and outflows. This is just one example of many that CLA offers our clients in staying ahead of the curve as it relates to new GASB standards.



Other examples include:

- We have members of our National Assurance Team dedicated solely to the public sector. These members provide timely guidance on technical questions encountered by teams while in the field. They are also responsible for keeping client serving members up-to-date on recent GASB exposure drafts, pronouncements, and other news.
- One of the members of the National Assurance Team discussed above is a member of the AICPA State and Local Expert Panel. As part of this panel, he responds to all GASB exposure drafts. In addition, through this panel, CLA has input on the AICPA State and Local Government Audit Guide.
- Locally, the Denver office hosts a biannual Public Sector seminar that generally offers anywhere from 5 – 8 hours of CPE. Each session, we offer a GASB update for participants.

We believe that staying ahead of the curve and providing education on both approved and proposed accounting standard changes allows us and our clients to effectively and efficiently implement those changes.

Leaders in Performing Single Audits

CLA performs Single Audits for over 800 organizations annually, ranking top in the nation for the number of Single Audits performed by any CPA firm. The majority of governmental organizations served by CLA receive federal funds and require a Single Audit in accordance with the OMB Uniform Guidance.

Compliance with federal award provisions can have a major impact on future funding and continuance of services. We provide our clients with meaningful suggestions to improve the compliance environment when required, and we have developed templates for our clients to aid in documentation of controls over compliance and processes in place. We believe proactiveness is key to the Single Audit process and continuously help our clients with interpretation of federal award provisions and requirements to provide best practice examples and tools to help with this area.

CLA has designated specific principals who are authorized to review and approve Single Audit reports. In addition to the local resources, CLA has personnel throughout the firm as well as national technical personnel who specialize in Single Audits and as such provide resources and insights not found in many firms. CLA personnel were also invited to join and participated in Single Audit Task Forces formed by the AICPA to address Single Audit quality issues.

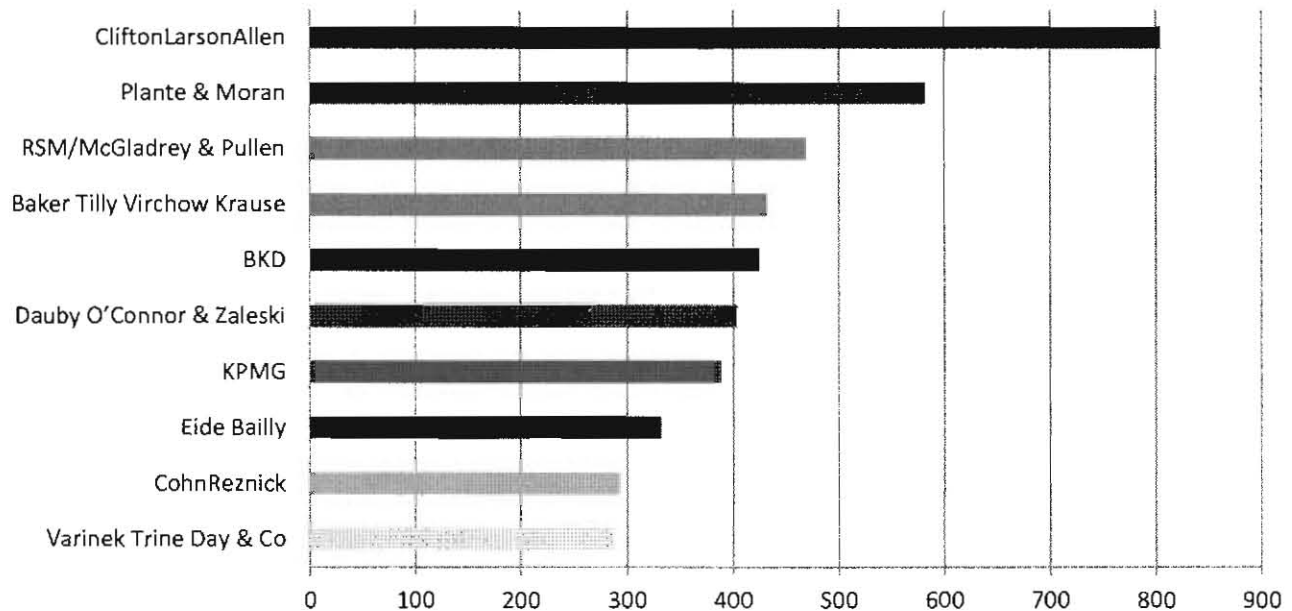
All staff assigned to your audit perform Single Audits throughout the year and have received specialized training in governmental accounting, auditing and financial reporting, and Colorado county specific human service programs.

The table on the following page illustrates CLA's experience in serving organizations that receive federal funds and demonstrates our firm's dedication to serving these organizations.

CLA has designated specific individuals within the firm who are authorized to review and approve Single Audit reports. We require all Single Audits to be reviewed by a Designated Single Audit Reviewer, thereby assuring that standards set forth in the Uniform Guidance are accurately maintained.



Number of Single Audits Performed*



*The information for the ten firms with most Single Audits performed was pulled from the Federal Audit Clearinghouse for audits submitted between January 1, 2014 – December 1, 2014. CLA's numbers represent Single Audits with total federal expenditures of more than \$22.7 billion.

CLA performed over 800 Single Audits in 2014; therefore, the County can be assured that CLA will perform a high quality audit in accordance with the OMB *Uniform Guidance*. Our designated Single Audit group stays current on all issues related to federal awards and the impact they may have on your Single Audit.

Uniform Guidance Expertise

2 CFR Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (the Uniform Guidance), entails more than 100 pages of updates to the process of applying for, managing, and auditing federal grants and cooperative agreements. It applies to new awards, and additional funding (or funding increments) to existing awards made after December 26, 2014. CLA professionals have extensively researched the Uniform Guidance to find the issues that concern you most, and developed methods for implementing change. No matter how you are impacted, we can help you find effective solutions for your needs.

Along with hosting trainings and webinars regarding the Uniform Guidance that are available for download, we have a number of articles and whitepapers on the topic that include how it will affect grants management, personnel costs, international activities, among others. We have developed a subrecipient risk assessment matrix and tracking workbook to help assist with subrecipient monitoring and management under the Uniform Guidance. CLA professionals are also available to provide guidance and tools tailored to your organization's needs, and to assist in timely compliance with the new rules.

IT Experience and Auditing in an Environment of Comprehensive Change

CLA brings significant experience in auditing Information Technology (IT) systems and applications to the engagement, and has a wealth of skills in technology controls and processing. Virtually all of our audit clients have highly sophisticated computerized accounting systems.



The IT Assurance and Security Services Team is comprised of nearly 100 dedicated IT security and IT audit professionals with numerous major professional certifications, including the following:

- Certified Information Security Manager (CISM)
- Certified Information System Auditor (CISA)
- Certified Internal Auditor (CIA)
- Certified Information Systems Security Professional (CISSP)
- Cisco Certified Networking Associate (CCNA)
- Master Certified NetWare Engineer (MCNE)
- Microsoft Certified System Engineer (MCSE)

Quality Control Procedures and Peer Review Report

The most recent peer review report we received a rating of *pass*, which is the most positive report a firm can receive. We are proud of this accomplishment and its strong evidence of our commitment to technical excellence and quality service. The full report is provided on the following pages of this proposal. This review was inclusive of specific government engagements.

In addition to an external peer review, we have implemented an intensive internal quality control system to provide reasonable assurance that the firm and our personnel comply with professional standards and applicable legal and regulatory requirements. Our quality control system includes the following:

- A quality control document that dictates the quality control policies of our firm. In many cases, these policies exceed the requirements of standard setters and regulatory bodies. Firm leadership promotes and demonstrates a culture of quality that is pervasive throughout the firm's operations. To monitor our adherence to our policies and procedures, and to foster quality and accuracy in our services, internal inspections are performed annually.
- Quality control standards as prescribed by the AICPA. The engagement principal is involved in the planning, fieldwork, and post-fieldwork review. In addition, an appropriately experienced professional performs a risk-based second review of the engagement prior to issuance of the reports.
- Hiring decisions and professional development programs designed so personnel possess the competence, capabilities, and commitment to ethical principles, including independence, integrity, and objectivity, to perform our services with due professional care.
- An annual internal inspection program to monitor compliance with CliftonLarsonAllen's quality control policies. Workpapers from a representative sample of engagements are reviewed and improvements to our practices and processes are made, if necessary, based on the results of the internal inspection.
- Strict adherence to the AICPA's rules of professional conduct, which specifically require maintaining the confidentiality of client records and information. Privacy and trust are implicit in the accounting profession, and CliftonLarsonAllen strives to act in a way that will honor the public trust.
- A requirement that all Single Audit engagements be reviewed by a designated Single Audit reviewer, thereby confirming we are in compliance with the standards set forth in the Uniform Guidance.



December 12, 2013

Gordon A Viere, CPA
CliftonLarsonAllen LLP
220 S 6th St Ste 300
Minneapolis, MN 55402

Dear Mr. Viere:

It is my pleasure to notify you that on December 12, 2013 the National Peer Review Committee accepted the report on the most recent system peer review of your firm. The due date for your next review is January 31, 2017. This is the date by which all review documents should be completed and submitted to the administering entity. If your due date falls between January and April, you can arrange to have your review a few months earlier to avoid having a review during tax season.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Sincerely,



Betty Jo Charles
Chair, National Peer Review Committee
nprc@aicpa.org 919 402-4502

cc: Catherine Marie Schweigel Samuel Edward Johnson

Firm Number: 10012475

Review Number 348767

Letter ID: 847869

T 1 919 402 4502 | F 1 919 402 4875 | nprc@aicpa.org



System Review Report

To the Principals of CliftonLarsonAllen LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of CliftonLarsonAllen LLP (the firm) applicable to non-SEC issuers in effect for the year ended July 31, 2013. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*, audits of employee benefit plans, audits performed under FDICIA, and examinations of service organizations [Service Organizations Control (SOC) 1 and 2 engagements].

In our opinion, the system of quality control for the accounting and auditing practice of CliftonLarsonAllen LLP applicable to non-SEC issuers in effect for the year ended July 31, 2013, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. CliftonLarsonAllen LLP has received a peer review rating of *pass*.

Cherry Bekaert LLP

Cherry Bekaert LLP
November 12, 2013

Desk Reviews and Disciplinary Action

CLA has been subject to several federal and state desk reviews by state oversight agencies during the past three years and these reviews of our audits have not indicated a history of substandard work. In addition, our government audits are subject to review by each agency's Office of Inspector General, as well as the U.S. Government Accountability Office, and we have resolved findings, if any, identified in those reviews. Lastly, we have had no disciplinary action taken against the firm during the past three years with state regulatory bodies or professional organizations.

PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

Engagement Team

The core team assigned to the County's engagement is identified below and encompasses significant knowledge and experience to provide promised continuity at all levels. They will continue to be available to the County and work with you and your staff to foster consistent communication, timely delivery of your audit needs and exemplary customer service. They will also work with you and your staff on a proactive and collaborative basis throughout the duration of the entire project, to address areas of concern such as accounting for complex and unique transactions the County may enter into. It is our priority to help the County achieve its compliance and fiscal responsibility goals.

The most important resource any business has is people – the right people.

The team members have performed numerous engagements of this nature, including the County, and will commit the resources necessary to give you top quality service throughout the engagement. As noted previously and as seen below, our Colorado offices have ample public sector resources to effectively service this engagement.

Following are our proposed team members. Detailed resumes for all engagement team members may be found in **Appendix B**.

Engagement Team	Title	Role	Years Experience
Mark Elmshouser	Principal	Overall Engagement Principal	35
Paul Niedermuller	Principal	Secondary Review Principal	18
Allison Slife	Manager	Engagement Management	9
Jake Huolihan	Manager	Single Audit Management	6
Haley Cox	Senior Associate	Engagement Management	4
Julie Burnell	Associate	Financial Audit	3
Ivana Ritz	Associate	Single Audit	2
Michael Nyman	Manager	IT Manager	18



Mark Elmshouser, CPA, Principal

Mark will be the overall engagement principal and responsible for the approval of the audit plan, principal level review and approval of the required exhibits and other deliverables. He will be available throughout the year to answer questions. Mark is licensed to practice as a certified public accountant in the state of Colorado.

Mark has been in public accounting for over 35 years, including over 29 years of experience with governmental audits. Mark has extensive experience performing Single Audits in accordance with OMB Circular A-133 and the Uniform Guidance and his clients have included Adams County, Boulder County, Montrose County, the cities of Greenwood Village, Northglenn, Arvada, and Westminster, Town of Erie, Urban Drainage and Flood Control District, Scientific and Cultural Facilities District, Parker Water and Sanitation District, Fitzsimons Redevelopment Authority, Colorado Housing and Finance Authority, Colorado Judicial Department, CollegenInvest, Colorado Department of Labor and Employment, Colorado Department of Education, Denver Public Schools, Littleton Public Schools, Colorado Lottery, Arapahoe Library District, various governmental insurance pools, as well as numerous other governmental entities.

Mark is a member of the Government Finance Officers Association (GFOA), the Colorado Government Finance Officers Association (CGFOA), the Colorado Society of Certified Public Accountants, and the American Institute of Certified Public Accountants (AICPA).

Paul Niedermuller, CPA, Principal

Paul will be the second review principal on the engagement. He will be available throughout the year to answer questions. Paul serves as the Western regional leader for CLA's national public sector group, bringing an uncommon perspective and insight to the County's audit engagement team. Paul is licensed to practice as a certified public accountant in Colorado.

Paul has been in public accounting for 18 years and all of his experience has been with governmental and nonprofit clients. He was a partner with a firm in California and joined CLA in 2006. His experience with government organizations in Colorado include Arapahoe County, Boulder County, City of Golden, City of Boulder, City of Longmont, City of Greeley, Town of Estes Park, City of Ft. Lupton, City of Durango, Town of Parker, City and County of Broomfield, Jefferson County School District, Adams 12 Five Star Schools, Academy School District 20, Boulder Valley School District, Poudre School District, School District 27j, Lewis-Palmer School District, Weld County School District 6, Apex Park and Recreation District, College Assist, Colorado College, the University of Colorado, CollegenInvest, the State of Kansas, the Colorado Water Conservation Board, the Colorado Department of Natural Resources, and Northern Colorado Water Conservancy District.

Paul is a member of the Government Finance Officers Association (GFOA), Colorado Government Finance Officers Association (CGFOA), Colorado Society of Certified Public Accountants, and the American Institute of Certified Public Accountants. Paul is a National Instructor in CLA's firm-wide training program. His instruction is focused on governmental accounting, audit methodology, and Single Audit requirements. He has also presented on the pension standard changes both nationally and locally, including sessions at the GFOA annual conference, CGFOA annual conference, The Colorado Society of CPA's Governmental Conference, and other state and local training conferences.

Allison Slife, CPA, Manager

Allison will be responsible for the day-to-day managing of the audit process and supervising the audit procedures being conducted by the audit team. She will work on an ongoing basis with the County staff regarding any issues and questions that come up during the audit. Allison is licensed to practice as a certified public accountant in Colorado.



Allison has over nine years of auditing experience. Her experience primarily includes serving state and local governments such as Adams County, Boulder County, City of Golden, City of Boulder, Boulder Valley School District, Cherry Creek School District, Poudre School District, Weld County School District 6, Apex Park and Recreation District, Fitzsimons Redevelopment Authority, Cunningham Fire Protection District, Arapahoe Library District, Metro Wastewater Reclamation District, Colorado Department of Natural Resources, Colorado Department of Labor and Employment, Wyoming Department of Transportation, the State of Kansas, and the Colorado Water Conservation Board.

Allison is well versed and experienced in Single Audits as a majority of her clients receive some level of federal funding and are impacted by the changes with the Uniform Guidance. She has presented on the Uniform Guidance and Single Audits both nationally and locally, including sessions at the CGFOA annual conference, the Colorado Governmental Human Services Finance Officers Association (CGHSFOA) annual conference, and other state and local training conferences. She is also a national instructor for CLA's Public Sector Group.

Allison is a member of the Colorado Government Finance Officers Association (CGFOA), Colorado Society of Certified Public Accountants, and the American Institute of Certified Public Accountants. Allison is also an instructor for CGFOA classes in Colorado.

Jake Huolihan, CPA, Manager

Jake will be responsible for the day-to-day operations of completing the Single Audit and keeping the team on track. He will foster a positive relationship by communicating with the client staff regarding the review. This will provide a smooth and concise handling of all aspects of the engagement. Jake will also track and communicate review progress to all members of the review and client teams to promote responsibility and transparency during the review process. Jake is licensed to practice as a certified public accountant in Colorado.

Jake has more than six years of experience working with public sector and higher education audit clients. He has led teams of staff members in completing financial audits, Single Audits, grant specific audits and reviews, and agreed upon procedures engagements. Jake currently manages a variety of engagements in the public sector industry, including Adams County, University of Colorado, Oregon State University, Portland State University, the Oregon University System, the State of Kansas Universities, and the Scientific and Cultural Facilities District.

Jake is a member of the American Institute of Certified Public Accountants (AICPA). Jake teaches trainings both internally at CLA and externally to both clients and industry professionals.

Haley Cox, CPA, Senior Associate

Haley will be responsible for the day-to-day managing of the audit process and supervising the audit procedures being conducted by the audit team. She will work on an ongoing basis with the County staff regarding any issues and questions that come up during the audit.

Haley has four years of auditing experience with all being devoted to governmental clients. Her experience includes serving state and local governments such as Adams County, Boulder County, Town of Estes Park, Poudre School District, Jefferson County Public Schools, Denver Water, Joint School District Self-Insurance Pool, University of Colorado, the State of New Mexico, New Mexico Tourism Department, New Mexico Department of Game and Fish.

Haley is in compliance with yellow book auditing requirements for continuing professional education credits, and is a licensed CPA in Colorado.



Julie Burnell, Associate

Julie will be responsible for conducting day-to-day financial statement audit procedures. She will work continuously with the County staff regarding any issues and questions that may transpire to ensure the audit process is executed on a timely basis.

Julie has three years of auditing experience. Her experience primarily includes serving state and local governments, including Adams County, Arapahoe County, Montrose County, Poudre School District, Urban Drainage and Flood Control District, and Eagle Ridge Academy, as well as few non-profit organizations, including The Mental Health Center of Denver, Make-A-Wish Utah Chapter, and the American Water Works Association.

Ivana Ritz, Associate

Ivana will be responsible for performing Single Audit test work throughout the course of the audit.

Ivana has over two years of auditing experience with governmental clients. Her experience includes serving state and local governments such as Adams County, Arapahoe County, Town of Parker, and the City of Tucson, AZ.

Michael S. Nyman, CPA, CISA, CISSP, CITP, CRISC, IT Manager

Mike will be responsible for designing and supervising the audit procedures performed over the County's Information Technology internal control system.

Mike has more than 18 years of experience in planning, developing, performing, supervising, and reviewing information system audits for external financial audits and co-sourced internal audit departments. This includes leading and managing Sarbanes/Oxley Internal Control audits from both management's assessment and the external audit. He has worked on numerous local, state, and federal government agencies. He has a working knowledge of the information systems auditing standards as published by the Information Systems Audit and Control Association. He has significant knowledge and experience with the concepts, terminology, capabilities, and application of business and control risk associated with various information systems architectures. Mike has an in-depth understanding of complex business processes with the underlying information security and control issues and is able to concisely and effectively communicate them to the internal and external parties. In addition, he has a well-rounded IT background of infrastructure and development management.

Mike is a member of the American Institute of Certified Public Accountants (AICPA), the Arizona Society of Certified Public Accountants (AzCPA), Information Systems Audit Control Association (ISACA) and the International Information Systems Security Certification Consortium (ISC2).

Continuing Professional Education

CLA is committed to making sure our staff remains current on all accounting and auditing standards. All of our professional staff, both CPAs and non-CPAs, are required to attend a minimum of 40 hours per year of continuing education courses which are paid for by our firm. All supervisory personnel have completed in excess of 24 hours of qualified government continuing education courses every two years.

This education is obtained by attending various courses such as our internal assurance conference held annually in Minneapolis, Minnesota, or virtually, where we cover all significant changes in auditing pronouncements, accounting principles, independence requirements, Single Audit requirements and other government related matters. This conference is supplemented with other government related courses provided through the Government Finance Officers Association (GFOA), Colorado Government Finance Officers Association (CGFOA), the American Institute of Certified Public Accountants (AICPA) and the Colorado Society of Certified Public Accountants (CSCPA) where we concentrate on education specific to governmental auditing and Single Audits.

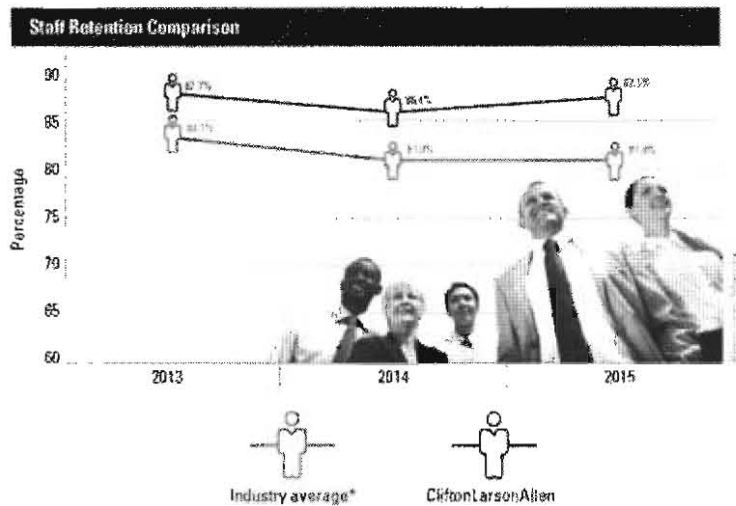


A CPE summary for the last three year for the professional staff proposed above is included in the engagement team resumes in **Appendix B**.

Continuity of Service

We are committed to providing continuity throughout this engagement. It is our policy to maintain the same staff throughout an engagement, ensuring maximum efficiency and keeping the learning curve low. We are also flexible in exploring alternative solutions to non-mandatory rotation policies should the County request that.

In any business, however, turnover is inevitable. When it happens, we will provide summaries of suggested replacements and will discuss re-assignments prior to finalizing. We have an adequate number of qualified staff members to provide the County with top service over the term of the engagement.



*Industry average for professional services firms exceeding \$100 million in revenue

CLA is committed to maintaining high staff retention rates, which we believe are a strong indicator of service quality. Continuity results in increased efficiency and quality because staff assigned to the engagement will not have to go through a “learning curve” with annual engagements or each new project. Client staff spends less time orienting the engagement team, and more time working toward goals. With a solid, steady engagement team, each year brings the additional benefits of trust and familiarity. High retention rates also indicate that our staff members have the resources they need to perform their tasks and a positive work/life balance.

SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES

References

Please see the following references of recent significant engagements similar to the County.

Client	Contact Name	Phone	Hours
Boulder County Scope of Work: Financial Statement Audit and Single Audit, including implementation of GASB 68 Principal: Paul Niedermuller, Mark Elmshouser Dates of Work: 2005 – Present	Bob Lamb, Financial Services Division Director	303-441-3497	1,800



Client	Contact Name	Phone	Hours
Arapahoe County Scope of Work: Financial Statement Audit and Single Audit, including implementation of GASB 68 Principal: Paul Niedermuller Dates of Work: 2011 – Present	Janet Kennedy, Director of Finance	303-795-4620	1,700
City of Boulder Scope of Work: Financial Statement Audit and Single Audit, including implementation of GASB 68 Principal: Paul Niedermuller Dates of Work: 2015 – Present	Ron Gilbert, Assistant Controller	303-441-1958	990
Montrose County Scope of Work: Financial Statement Audit and Single Audit Principal: Mark Elmshouser Dates of Work: 2014 – Present	Cindy Bennet, Finance Director	970-252-5077	850
City of Golden Scope of Work: Financial Statement Audit and Single Audit, including implementation of GASB 68 Principal: Paul Niedermuller Dates of Work: 2010 – Present	Jeff Hansen, Finance Director	303-384-8000	530

CLA has one of the largest governmental audit and consulting practices in the country and we are an active member of the Governmental Audit Quality Center. We have extensive experience providing a variety of audit and consulting services to state and local government entities, including policy and procedure development, internal audits, agreed-upon procedures, compliance audits, internal control consulting projects, financial statement audits, enterprise risk management consulting, and Single Audits in accordance with the Uniform Guidance. Our government services team serves thousands of governmental engagements nationwide, including numerous counties, cities, municipalities, states and state agencies, special districts, school districts, governmental colleges and universities, and other types of governmental entities. Please see the following list for a sample of similar engagement served by principal personnel assigned responsibility for the course of this engagement.

Our professional staff provides traditional accounting, management, and financial consulting services to hundreds of governmental entities, including:

- Municipal Governments
- County Governments
- Metropolitan Districts
- Building & Financing Authorities
- Public Improvement Corporations
- Water and Sanitation Districts
- Parks and Recreation Districts
- Fire Protection Districts
- Transportation Districts
- Business Improvement Districts
- General Improvement Districts
- Local Improvement Districts



Counties

Adams County – 2011-Present
Arapahoe County – 2011-Present
Boulder County – 2005-Present
Montrose County – 2014-Present

Cities and Towns

City of Durango – 2013-Present	Town of Columbine Valley– 1986-Present
City of Fort Lupton – 2013-Present	Town of Erie– 2012-Present
City of Golden – 2010-Present	Town of Estes Park– 2012-Present
City of Longmont – 2014-Present	Town of Parker– 2013-Present
City of Boulder – 2015-Present	Town of Platteville– 2014-Present

Water and/or Sanitation Districts

Metro Wastewater Reclamation District – 2011-Present
Northern Colorado Water Conservancy District –2001-Present
Northern Colorado Water Conservancy District: Municipal Subdistrict – 2001-Present
Pleasant View Water and Sanitation District – 1989-Present
South Adams Water and Sanitation District – 1973-Present

Fire Protection Districts

Cunningham Fire Protection District – 2001-Present
Arvada Fire Protection District – 2014-Present
Bennett Fire Protection District – 2001-Present

School Districts/Charter Schools

Adams 12 Five Star School District– 1994-Present	Eagle Ridge Academy– 2013-Present
Academy School District 20– 2012-Present	Jefferson County Public Schools– 2002-Present
Boulder Valley School District– 2015-Present	Littleton Public Schools– 2013-Present
Cherry Creek School District– 1994-Present	Lewis Palmer School District– 2013-Present
Colorado Virtual Academy– 2004-Present	Poudre School District– 2009-Present
Denver Public Schools– 2005-2013	Weld County School District 6– 2015-Present



SPECIFIC AUDIT APPROACH

Audit Approach and Methodology

During our process, the auditor performs a five-phase approach as displayed in the graphic below.



Phase I: Assessment

The continuous communication phase of an engagement starts when an engagement contract is issued and continues throughout the year. We believe effective communication is critical to successfully serving the County. This communication includes the exchange of ideas and advice as changes are considered or implemented by the County or the accounting profession. Upon notice of the issuance of an engagement contract, we will notify the County to communicate our plan to start the work and to further discuss the audit process.

As discussed in more detail in the Planning and Strategy section, a formal entrance conference will be held with the County to discuss risks, concerns, expectations, audit applications, and audit protocol. In addition, through all phases of the audit, we believe it is important to have regular communication with the County to discuss the status of the engagement. We will provide timely communication of any critical issues, concerns, and potential findings with the person primarily responsible for the subject matter and to inform our audit liaison. During audit fieldwork, we will meet with management on a weekly basis. During these weekly status meetings, we will discuss the following to foster agreement on all fact patterns: potential deficiencies or audit adjustments, pending requested information, technology questions, progress of the audit, and other milestones and deliverables.

Phase II: Planning and Strategy

The planning phase will lay the foundation for the audit and will be the key to a successful, cost-effective, and efficient audit.

Conduct Entrance Conference with the County's Management

We will meet with the County personnel to mutually agree on an outline of responsibilities and timeframes. The agenda will include, but not be limited to the following:

- Audit approach and timing schedule
- Assistance from the County's personnel
- Discuss application of generally accepted accounting principles
- Identify/discuss concerns of the County's management
- Establish principal contacts and audit protocol



Understanding of the County

Prior to any evaluation or testing, our engagement will begin by updating and enhancing our understanding of the operational, financial, and compliance systems relevant to the County. An important part of this planning work is to determine the nature and usefulness of data (such as accounting and computer manuals, flow charts, budgets, etc.), which the County may have already prepared, so that our documentation of accounting procedures and internal controls can be performed on an efficient basis. Our goal is not to require the County to create additional documents that were not previously prepared.

Develop a More In-Depth Understanding of Areas of Concern

We will identify areas which may have a significant impact on timing and completion of the audit or that may be of special concern to management. We will review such areas in-depth to obtain an early understanding and resolution of any potential problems that may impede our progress. We will then develop our approach so the County will have sufficient time to compile the data necessary for completion of the audit with a minimum amount of disruption.

Perform Preliminary Analytical Reviews

This feature of our audit approach involves the review of current and historical financial and statistical data, as well as budgeted data, to identify trends, fluctuations, and relationships requiring further investigation. This guides us in the development of our scope and relative emphasis of the audit work.

Risk Assessment

Risk assessment is an ongoing process performed throughout the audit to identify risks related to financial reporting and to analyze these risks for the purposes of developing an overall response to financial statement level risks. It also assists us to design further audit procedures in response to assertion-level risks. We will perform tests related to key account balances, transaction cycles, and significant audit areas.

In addition to the other planning procedures described above, we will perform specific risk assessment procedures during this phase of the audit to identify those areas of the audit, which may be more susceptible to error or fraud. This risk assessment will directly affect the level of effort of the audit processes described below.

Phase III: Systems Evaluation

Having established the audit framework in the planning phase, we then determine the extent to which we can depend on existing internal controls, including information technology controls, and accounting systems to produce reliable and timely financial information and compliance with applicable legal and contractual requirements. Three key steps are involved in this process:

Review Internal Control Systems

We will document the significant accounting systems of the County that were identified by our risk assessment procedures. Once we understand your system of controls, we will prepare documentation of accounting cycles and confirm our understanding with the aid of the County personnel. We then identify strengths and weaknesses that have an impact on audit objectives, which enables the audit team to determine the emphasis to be placed on internal controls during the test work. Finally, we perform "walkthroughs" of key controls to verify the controls have been placed in operation.

Audit Programs

We will utilize audit programs and perform procedures based on our understanding of the County, that are responsive to the audit concerns and that reflect the evaluation of the internal control system.



Review Data Processing Controls and Audit Software

We will review the information technology systems utilized by the County in order to update our understanding of the IT control environment, both at the entity-wide level and at the application level. Based upon our understanding of the control environment, we will determine risk areas and areas of focus for our IT control testing (see below).

In addition, we will plan the appropriate usage of our audit software to develop appropriate tests. All audit personnel have worked extensively in utilizing client computer data and systems to generate needed work schedules and reports for the purpose of completing audits. Our clients have a variety of computerized systems, and we have worked with them in this capacity for many years.

Phase IV: Testing and Analysis

Control Testing

Based on the results of planning, risk assessment, and understanding of internal controls, we will identify internal controls, including information technology controls, in which we plan to rely upon in order to reduce substantive testing. The purpose of control tests will be to verify that significant internal control strengths noted in the County's evaluation phase are functioning as described and are effective. We will utilize sampling techniques as deemed appropriate to select transactions to be tested, to determine the characteristics of the data being examined, and to select objectively, the minimum number of transactions that will permit us to formulate reliable conclusions.

Substantive Testing

The nature and extent of the substantive procedures to be employed is dependent on a number of different factors, including the nature of the amount under audit, the volume, and relative size of the transactions underlying the amount being audited, and the effectiveness of the internal controls surrounding the transaction cycle. Sampling is not the only substantive procedure available and, in fact, is not the most efficient or appropriate approach to be used to achieve substantive audit satisfaction in a number of different audit areas. In the appropriate circumstances, the application and evaluation of effective analytical procedures or confirmation techniques can be equally valuable.

Analytical techniques include historical trend analysis of revenues and expenditures/expenses, relationships between asset balances and related income amounts, and other non-transaction specific procedures. We also rely on direct confirmations with third parties for certain account balances, as considered most appropriate and effective.

Analytical techniques and confirmations will be used in a number of audit areas where reliable, independent data can be used to verify recorded balances in order to limit detailed testing in these areas.

As a component of our testing, and as directed in the request for proposal, we will perform an audit of the basic financial statements of the County, which includes a review of the internal control over financial reporting and compliance as required by auditing standards generally accepted in the United States of America and *Government Auditing Standards*. We will review the County's compliance with state and federal laws and regulations and State Fiscal Rules and bond covenants that could have a material effect on the County's financial statements. We will review reporting components as well as any adjusting journal entries made by the County. Finally, we will perform audit work to evaluate the County's progress on implementing prior audit recommendations, if applicable.

Throughout preliminary and final fieldwork, we will confirm and provide information on potential findings. Specifically, we will continually confirm fact patterns related to potential findings with the County, and will



communicate potential findings with County management and staff as appropriate. It is ultimately our goal that there are no surprises during the reporting phase of the engagement.

Phase V: Reporting and Follow-up

Submission of the required reports and communications will be issued promptly after the completion of our fieldwork. We will prepare and issue an audit report on the County, which will include auditors' reports on the basic financial statements and internal control and compliance, and if applicable, findings and recommendations for improvements in its internal controls and accounting procedures. We plan to meet with representatives from the County to review the highlights of the audit and any findings and recommendations contained in our communications. There should be no "surprises" in these reports based upon the weekly status meetings held with management.

Audit Approach

Many organizations view an audit as a requirement that doesn't contribute to their overall operations or value. At CLA, we believe an audit should be an annual checkup that allows us to have insight into your organization and to share in-depth advice on how to improve your operations.

Our industry experience makes it easier: CLA auditors are experienced in your industry, which allows us to make the process faster and smoother. We approach our client engagements with a commitment to operational efficiency and to leverage our industry focused experience to bring positive impact and meaningful insights to our clients. What does this mean for your organization? It means we bring a team of professionals and an approach focusing on you, our client, listening to and working with you for a successful outcome.

Your time has value: Our approach recognizes that your time is valuable and best spent with key decision makers asking clarifying questions, discussing organizational strategies, and dealing with sensitive reporting issues. We believe this approach is effective and cost-efficient, produces a quality audit, provides you with substantive discussions with our team leaders, and recognizes there is more value to time spent discussing significant issues with management than reviewing detailed work papers.

No surprises: Our experience enables us to focus on the areas of your organization that possess the greatest risk. Our emphasis on planning and communication allows for an efficient and effective audit process in which everyone involved knows their roles and expectations. Issues, as they arise, are dealt with immediately, not accumulated until the end of the audit. We provide a "**no surprises**" approach to our services, based on frequent and timely communication. As potential issues arise during the course of the audit, we will engage the right people in timely and frank discussions as a means of gaining resolution immediately.

Communications

Communication is an important part of making an audit efficient. Not only do we believe in an open line of communication during the audit period, but year round as well. We want your staff to feel comfortable in calling any one of our audit team members with questions or thoughts they may have concerning accounting, audit, or other issues. We feel it is much more efficient if your staff has us available as a resource throughout the year, allowing you to have the proper guidance when an issue arises rather than when the audit begins. We are committed to being available to the County staff throughout the contract period for answering questions or advising on various accounting matters.



Communications with management will occur at different times during the audit and throughout the year, as follows:

✓ **Entrance Conference**

Prior to commencement of audit activities, the engagement team will meet with management and accounting personnel to discuss timing of the audit, expectations, transition plan, accounting matters, and other issues. We will also meet with representatives of the governing body to identify engagement expectations and conduct fraud inquiries.

✓ **Fraud-Risk Discussions**

The engagement principals and managers will hold discussions with members of management to obtain an understanding of potential risks of fraud within the organization. These discussions are required by audit standards issued by the American Institute of Certified Public Accountants, and will be held during the planning phase of our audit.

✓ **Regular Status Meetings**

At least weekly during fieldwork, we will conduct audit status meetings.

✓ **Audit Exit Conferences**

We will conduct a formal audit exit conference with management, along with other personnel as needed, at the close of preliminary and final audit fieldwork to review any comments relating to internal control procedures and audit findings and recommendations. We will also present our observations about your organization's operations. Upon review of all deliverables, we will conduct a meeting with management personnel to review draft documents prior to finalization.

✓ **Communication of Internal Control Related Matters**

The audit standard, *Communicating Internal Control Related Matters Identified in an Audit*, applies in all audits and requires the auditor to communicate significant deficiencies or material weaknesses in internal control in writing.

We will discuss, immediately upon discovery, any instances of material accounting or internal control weakness or suspected fraud, defalcations, collusion or manipulation, and request instruction as to how to proceed with the audits.

✓ **Management Letter**

At the conclusion of our audit, we will also communicate other recommendations and suggestions for strengthening your policies, accounting procedures, and /or processes which represent other opportunities for improvement but do not meet the definition of internal control matters defined above, by way of a management letter.

✓ **Irregularities and Illegal Acts**

It is our firm's policy to immediately report alleged irregularities or illegal acts to the level of management having immediate oversight of the department or employee(s) suspected of committing the act. Professional standards also require us to report such matters directly to the governing body, depending upon the materiality of an identified illegal act.

✓ **Report to Those Charged with Governance**

We will make certain that Board of County Commissioners and management are informed of each of the following:

- Significant accounting policies
- Management judgments and accounting estimates



- Significant audit adjustments and passed adjustments, if any
- Disagreements with management, if any
- Management consultation with other accountants, if any
- Major issues discussed with management prior to retention
- Difficulties encountered in performing the audit, if any

✓ **Presentation of the Audit**

We will present the auditors' reports, financial statements, executive audit summary including management letter points, and required communications letter to the Board of County Commissioners.

✓ **Updates on New Standards**

During the planning meeting prior to the engagements, part of our formal discussion will be to communicate changes to audit and accounting standards which will affect the current engagement. We will also make management aware of upcoming changes as we are made aware of them throughout the year via e-mail, webcasts, meetings or phone communications.

✓ **Meetings During Non-Audit Periods**

We also offer to meet with management or governance during the non-audit period to provide optimal client service and audit product quality. We find that these meetings allow the client personnel opportunities to ask questions of current and possible future transactions and activities that might affect the audited financial statements.

✓ **Training**

We commit to providing the County up to 16 hours of continuing education, at no additional fee, for the County's staff each year. The specific topics to be covered by the training will be discussed with your management team to ensure that emerging issues are addressed in a timely fashion. This training will be presented in the form of webinars and in-person instruction. This training could include audit standards updates, data analytics practices, GASB updates, internal control best practices, and Uniform Guidance updates.

Thought Leadership - Publications, seminars, and reports published by CLA

CLA has a plethora of resources available to provide assistance to the governmental community. We understand the growing challenge of keeping up-to-date on the topics and issues affecting your organization. We can help. Our active, ongoing participation in industry organizations and regulatory bodies – combined with our commitment to continuing professional education – will allow us to provide the County with frequent communication of relevant accounting matters. There are numerous ways in which we will provide the County with timely news and education. The following are just a few examples:

- **Newsletters.** We produce several publications that address the unique challenges facing entities similar to the County.
- **Roundtables.** We provide roundtable discussions for our clients to participate in and share challenges and insights. These informal peer-to-peer meetings provide governmental leaders with the opportunity to share insights and ideas on timely topics, while networking with colleagues from other similar organizations across the country.
- **Seminars, Conferences, and Training Sessions.** We provide live and recorded webcasts, as well as in-person training sessions and year-round email alerts, regarding news specific to your industry or issues that may affect the County. The members of our local governmental team frequently serve as instructors.



Each of our client publications, as well as routine consultations, are *included as part of our fee quote*. You can view current and archived issues of all our publications, articles and white papers via our extensive online resource library, located at www.CLAconnect.com.

Our public sector dedicated personnel have the experience and insight to address the specific issues facing the County and your industry. This ability will allow for more frequent communication of ideas and information, as well as a more efficient, successful engagement – saving the County time and money.

Audit Tools and Technology

One of CLA's advantages is access to advanced audit tools and technology. All of our personnel are experienced and utilize the following specialized audit software:

- **Improved Data for Efficient/Effective Auditing (IDEA)** – Our firm utilizes IDEA data extraction software as an essential part of our audit processes. This software allows us to quickly analyze account populations and select samples based on risk factors. Our auditors use the IDEA analysis to identify areas that require more audit scrutiny. In addition, our teams utilize this tool for data analytics that are incorporated into our substantive procedures.
- **FX Engagement** – FX Engagement is our paperless audit product. Our firm has been paperless for over six years. This product allows us to file and save all of our audit work papers in an electronic storage capacity, allowing our firm to save time and resources associated with maintaining and storing paper files. All team members can access all the information within this file regardless of location or time of day. FX Engagement also includes a trial balance software program, which is utilized to produce lead schedules and allows us to perform trend analysis utilizing our clients' trial balances.
- **Audit Program Generator (APG)** – In order to provide a tailored approach to engagements, the firm requires the use of APG, a software program custom-written for CLA. This software package allows the tailoring of audit programs, based on the requirements of your engagement. We have developed a customized CLA audit program, which effectively makes our audit processes paperless and will enhance our present electronic practices. APG is an example of a technology tool that is designed to promote audit efficiencies. This software produces an industry-specific base program that is intended to encourage more thoughtful and specific tailoring. For an engagement to be effective in dealing with the risk of errors and efficient in avoiding riskless work, the engagement team will create a plan – the program – that contains the steps necessary to accomplish the goals of your engagement. Using APG is viewed as a thinking process, not just a documentation process.
- **CLA Document Portal** – The CLA document portal is a web-based application used for secure file transfers and continued access between CLA and our clients. The portal can be accessed via CLAconnect.com. The CLA document portal will safely and securely collect, store, manage, and distribute sensitive information between our firm and the County. Most importantly, all files are securely stored using FIPS 140-2 validated AES encryption, the U.S. Federal government encryption standard.

Our use of technology will be different from other CPA firms. We are an early adopter of industry-leading audit software, processes, and programs. With our state-of-the-art risk assessment software, the tools that are at our disposal are as sophisticated as those of the largest national CPA firms. With an extensive repertoire of available auditing strategies, we have the capability to customize the design of our auditing programs to help maintain the County's focus and to deliver a highly tailored audit process specific to the County's requirements.

Our paperless engagement file system and use of current technologies create noticeable efficiencies. Virtually all of our work papers we require can be provided electronically. We also have many templates available to



you to assist you in the process of gathering the necessary support, if requested. Effective use of current technologies, such as remote access, secure file sharing, audit-specific software, and portable scanners, provides the structure needed for our efficient approach, and allows us to serve our clients better. We have fostered a culture of efficient reliable technology that will create the best audit approach for the County.

Proposed Segmentation of the Engagement

The engagement is segmented into three primary time periods: planning and interim work, substantive fieldwork, and review and delivery.

During the planning and interim work, we will cover the assessment, planning and strategy, and systems evaluation phases:

- Meet with key finance department personnel to discuss the general audit plan and interim work to be performed and provide a list of all schedules and confirmations to be prepared by the County.
- Perform detailed work to gain a thorough understanding of the County's environment utilizing such sources of information such as internal control policies and procedures; County-developed manuals and programs; organization charts; Board of County Commissioners minutes and approved budgets; financial and other management system documentation. Audit steps also include inquiries of management and staff and performing analytical procedures on selected preliminary account balances.
- Perform tests of the internal controls. This consists of inspecting various aspects of selected samples of transactions, such as agreeing amounts to supporting documents, verifying approvals, recalculating amounts, etc. This would also consist of testing information technology internal controls.
- Conduct interviews of key personnel concerning their understanding of the potential for fraudulent activity and the controls in place to prevent it.
- Design detailed audit programs that emphasize key areas and issues identified by the planning process.
- Review all work performed by our staff during interim fieldwork as test work is completed. Any proposed adjustments or concerns are communicated to management at biweekly status meetings, if not earlier.
- We will request a preliminary schedule of expenditures of federal awards and make a preliminary determination of major single audit programs to be tested.
- Perform tests of compliance related to federal awards.

During the substantive fieldwork, we will cover the testing and analysis phase:

- Perform analytical tests over certain significant classes of transactions, including comparisons to budget and prior year balances, ratio analysis and predictive tests of amounts.
- For other significant classes of transactions, perform sampling procedures and vouch to supporting documentation.
- Compare significant asset and liability accounts to confirmations and supporting documentation such as bank reconciliations, invoices, bank statements and agreements.
- Confirm significant sources of revenue and receivables, when applicable, with independent sources.
- Review all work performed by our staff as test work is completed. Any proposed adjustments or concerns are communicated to management at weekly status meetings at the latest.
- Resolve any open items from the planning phase including completion of single audit work.
- Meet at least weekly with the key financial personnel to discuss results of fieldwork and review significant findings.
- Utilize the following sources of information: Board of County Commissioners minutes and approved budgets, financial and other management system documentation.



During the review and delivery, we will cover the reporting and follow-up phase:

- Read the financial statements for the County and compare to amounts tested during interim and final fieldwork.
- Complete review of any remaining work performed, including an overall review by the engagement principal.
- Perform an unassociated review of the financial statements and audit work papers. This is done by an audit principal not involved in the audit of the County.
- Meet with the key finance personnel to review a draft of the financial statements and all reports in detail.
- Participate in presentation of financial statements to the Board of County Commissioners.

Level of staff and number of hours to be assigned to each proposed segment of the engagement

An important distinction between CLA and other firms is the amount of principal and manager involvement in the engagement. Because our principals and managers are directly involved in the engagement during fieldwork, we can proactively identify significant issues immediately and resolve them with management so that the engagement is essentially complete when fieldwork ends.

We expect that the majority of our audit hours will be concentrated in the high-risk audit areas. Our approach is not to overwork every account with extensive substantive testing. While substantive testing remains part of the process, we think out-of-the-box analytically, identify relationships and truly learn about your operations.

Planning and Interim	Hours	Substantive	Hours	Reporting & Concluding	Hours
Principal	25	Principal	35	Principal	40
Manager	60	Manager	150	Manager	90
Senior Associate	125	Senior Associate	225	Senior Associate	50
Associate	215	Associate	475	Associate	10
Total:	425		885		190
Financial Statement and Single Audit Grand Total:					1,500

Sample size and the extent to which statistical sampling is to be used in the engagement

In performing testing controls for the internal control system, our firm has developed guidelines for use of statistical sampling. For statistical sampling, the sample size will vary based on the number of units in the population, our planned reliance on the results of the testing procedures, and the overall precision we determine appropriate for the testing.

In performing substantive tests of balances we may use non-statistical sampling. For non-statistical sampling, the sample size will vary based on the dollar value of the population, our materiality factors and the coverage desired for the testing.

Extent of use of EDP software in the engagement

We utilize IDEA as an analysis and data extraction tool to perform analytical procedures and assist in substantive testing as appropriate. Some of the areas where IDEA can be used to gain insight into the County's operations is in review of cash disbursements, payroll payments, and journal entries.



Type and extent of analytical procedures to be used in the engagement

We perform analytical procedures in all three phases of the engagement. Analytical procedures are performed in the planning phase to identify key risk areas based on variances from budget, prior year, and industry standards. After our initial meetings with key financial personnel and staff members, we will develop expectations of variances from prior year and the budget. We then compare these expectations to the actual changes to further investigate differences from expected variances. We also perform analytical review in the substantive testing phase and complete our use of analytical procedures by using them in the review phase. These types of procedures will include comparisons to budget and prior years, ratio analysis and predictive tests of revenue and expenditure amounts.

Approach to be taken to gain and document an understanding of Adams County's internal control structure

Our history with similar counties and with Adams County gives us insight into the structure of the County's internal controls. We would utilize a combination of internal control forms and interviews with key accounting personnel to gain and document an understanding of the County's internal control structure. Tests of design and tests of operating effectiveness would then be performed to confirm our understanding.

Approach to be taken in determining laws and regulations that will be subject to audit test work

Due to our experience with governmental entities and governmental audits in general, we are familiar with state and federal laws and regulations. We will update our knowledge of any changes in these laws prior to commencing audit work. We develop specific audit steps to test applicable laws and regulations.

Approach to be taken in drawing audit samples for purposes of tests of compliance

Our approach for determining audit samples for tests of compliance will be based on the sampling guidelines given by the Uniform Guidance. For audit samples outside of the Uniform Guidance requirements, we will base our audit sample on risk assessment and auditing standards.

Approach to meet the County's desired timelines

We would be prepared to begin communications with the County as soon as the contract is in place. We have the resources (as listed in this proposal) in our local office to meet the County's audit schedule.

We are committed to meeting your specified timelines. To do so, a detailed project management timeline will be developed with management. A summary of a proposed timeline is provided below. This timeline can be adjusted as part of a more detailed collaboration with County management.

Activities	Nov	Dec	Jan	Feb	March	April	May	June
Planning								
Preliminary planning meetings	X	X	X					
Risk assessment/engagement planning		X	X					
Identify and resolve accounting issues and concerns			X					
Review data processing activities and controls			X					
Develop overall audit approach			X	X				
Preliminary/Interim Audit Activities			X					
Obtain understanding of internal control environment			X					



Activities	Nov	Dec	Jan	Feb	March	April	May	June
Identify key controls and perform walkthroughs			X					
Conduct test of controls and IT assessment			X					
Perform analytical review procedures and preliminary substantive procedures			X					
Perform Single Audit testing			X	X				
Provide the County with a comprehensive audit plan, including all milestones through report issuance				X				
Final Audit and Reporting								
Complete Single Audit internal control and compliance testing					X	X		
Perform year-end substantive procedures						X		
Review financial statements and other letters						X	X	
Meetings to review reports on financial statements, management letters, and other documents							X	X
Hold audit exit conference, end of fieldwork							X	
Issue CAFR including Single Audit, and other reports, presentation to the Board								X

We understand the importance of an accurate game plan, including all milestones and deadlines. The above timeline represents a projection, and can be amended collaboratively with County management. However, we understand and are committed to meeting the County's ultimate objective to issue the CAFR before June 30, 2017. Critical to this objective is open and continuous communication.

Approach to be taken in conducting and completing the Single Audit

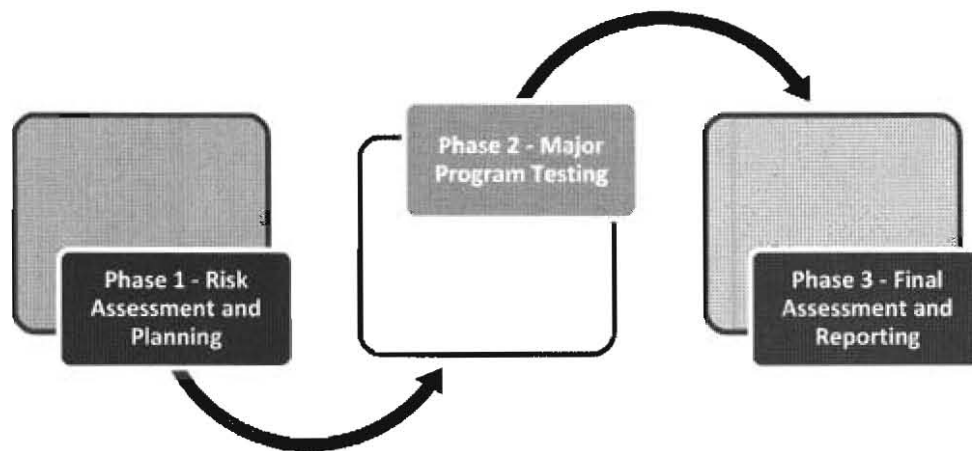
In the current environment of increased oversight, it is more important than ever to find qualified auditors who have significant experience with federal grants specific to the County. Therefore, the Single Audit will be performed by a team of individuals who are managed by personnel who specialize in Single Audits in accordance with the Uniform Guidance and who will offer both knowledge and quality for the County. As part of our quality control process, the Single Audit will be reviewed by a firm Designated Single Audit Reviewer (DSAR). The Uniform Guidance (2 CFR Part 200) was effective for federal grants made on or after December 26, 2014. This impacts how federal grants are managed and audited and impacts every organization that receives federal assistance. Grant compliance can be a confusing topic and many of our clients rely on their federal funding as a major revenue source, so it is important that they understand what these changes mean to their organization. As a leader in the industry, CLA is out in front of these changes and informing our clients of how they can be proactive about the changes. CLA professionals are available to provide guidance and tools tailored to the County's needs, and to assist in timely compliance with the new rules.

The AICPA clarified auditing standard, AU-C 801 "Compliance Audits" requires risk-based concepts to be used in all compliance audits including those performed in accordance with the Uniform Guidance (formerly Circular A-133). Our risk-based approach incorporates this guidance.



As illustrated below, we will conduct our audit in three primary phases:

- Phase 1 – Risk Assessment and Planning
- Phase 2 – Major Program Testing
- Phase 3 – Final Assessment and Reporting



Tailored Single Audit Approach.

Phase 1 – Risk Assessment and Planning

The risk assessment and planning phase will encompass the overall planning stage of the Single Audit engagement. During this phase, we will work closely with the County's management to verify that programs and all clusters of programs are properly identified and risk-rated for determination of the major programs for testing. We will also review the forms and programs utilized in the prior year to determine the extent of any changes which are required.

We will accomplish this by following the methodology below:

- Determine the threshold to distinguish between Type A and B programs, including the effect of any loans and loan programs.
- Utilizing the preliminary Schedule of Expenditure of Federal Awards, we will identify the Type A and Type B programs in accordance with the Uniform Guidance.
- Identifying the programs tested and the findings reported for the past three fiscal years. Determine and document the program risk based on the past three Single Audits.
- Determine the major programs to be tested for the current fiscal year based on the previous steps.
- Based on our determination of the major programs, we will obtain the current year OMB Compliance Supplement to aid in the determination of Direct and Material Compliance requirements, and customize the audit program accordingly.
- Prepare and distribute templates and conduct discussions with the County's management to obtain the Summary Status of Prior Year Findings.
- Determine the preferred methods of communication during the audit.



Phase 2 – Major Program Testing

We will determine the programs to be audited based on the risk assessment performed in the planning phase.

To accomplish this, we will perform the following:

- Schedule an introductory meeting and notify the County's management of the major programs for the current fiscal year.
- Plan and execute the testing of the expenditures reported on the Schedule of Expenditures of Federal Awards.
- Perform tests of compliance and internal controls over compliance for each major program identified.
- Schedule periodic progress meetings to determine that schedules are adhered to and identify issues as they arise.
- Conduct entrance and exit conference meetings with each grant manager or department.

Phase 3 – Final Assessment and Reporting

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

Based on the final determination of the programs we will perform the following:

- Identify Type A and Type B programs which were not previously identified.
- Re-assess the risk and determine if we are required to audit additional programs.
- Perform testing to validate the status of prior year findings for those programs not selected for audit.
- Prepare the Schedule of Findings and Questioned Costs.
- Conduct exit conference with the County's management to review drafts of required reports.

IDENTIFICATION OF ANTICIPATED POTENTIAL AUDIT PROBLEMS

We do not anticipate any audit problems. However, in the event we come across problems during our audit, we will immediately communicate with the appropriate level of management and resolve the issue as quickly as possible.



CONCLUSION

Our public sector practice area serves local governments, federal government clients, state departments and agencies, higher education institutions, and school districts. To give you an idea of the depth of our experience, CLA currently works with approximately 9,700 governmental and nonprofit entities. Our firm-wide public sector audit staff exceeds 700 people who are dedicated 100% to serving public sector clients.

We believe CLA is an excellent choice for your audit needs. We offer you:

- **Active involvement** - Senior members of your engagement team will be actively involved in the engagement. They are committed to staying closely involved with you throughout our services, so you know you will be served with the highest degree of accuracy and professionalism.
- **Local firm with valuable experience** - The comprehensive services we offer include an in-depth understanding of our clients' operations. Regional firms cannot compete with the scope or the quality of services that we are able to offer and larger firms struggle to provide the close personal attention and the willingness to respond as quickly as we can to your needs due to the fact that large firms focus so heavily on public company audits.
- **Service beyond the audit report** - Our staff not only has the knowledge and experience to provide superior audit services, but the depth of experience to be your trusted advisor in all financial and compliance matters. We will be available year-round during the period of the engagement to assist in answering your questions.
- **A proven understanding of the County** - Our experience serving as auditors for Adams County, as well as other county clients, offers a depth of understanding of the County's internal control structure, the accounting issues unique to the County, and information technology systems and processes of the County. No matter how you define success, CLA would like to be a part of it. Our hands-on approach to client service, the extensive experience of our staff, our wealth of local and national resources and our responsiveness to client needs can provide you with the insight you need to accomplish your goals.

We also understand that you have a wide selection of CPA firms when it comes to choosing your audit service provider. In conclusion, we would like to emphasize the fact that CLA hopes to be far more than your audit service provider – we hope to continue to be your trusted advisor by providing the following additional services and characteristics beyond just the audit engagement:

- Onsite educational sessions for the County's professionals
- Access to thought leadership publications and articles
- Working sessions to discuss implications of new auditing standards, laws, or regulations that impact the County
- Continuous principal and manager contact beyond the audit engagement
- Access to national firm resources while experiencing the interaction and expertise from our local Colorado offices

We truly appreciate the opportunity to present this proposal, and look forward to continuing a lasting relationship with the County. If you have any questions or require additional information, please contact Mark Elmshouser at 303-779-5710 or by email at mark.elmshouser@CLAconnect.com.



SEALED DOLLAR COST BID

Total All-Inclusive Maximum Price

In accordance with the County's request for proposal, please find our sealed dollar cost bid under separate cover.



APPENDIX A
Required Forms



Submittal Checklist

- ✓ Response to RFP
- ✓ Vendor Information Form
- ✓ W-9
- ✓ Contractor's Certification of Compliance
- ✓ Proposal Form/Contractor's Statement
- ✓ References
- ✓ 6 number of paper copies
- ✓ One CD or Flash Drive of submitted proposal in a single PDF document



CONTRACTOR'S CERTIFICATION OF COMPLIANCE

Pursuant to Colorado Revised Statute, § 8-17.5-101, *et. seq.*, as amended 5/13/08, as a prerequisite to entering into a contract for services with Adams County, Colorado, the undersigned Contractor hereby certifies that at the time of this certification, Contractor does not knowingly employ or contract with an illegal alien who will perform work under the attached contract for services and that the Contractor will participate in the E-Verify Program or Department program, as those terms are defined in C.R.S. § 8-17.5-101, *et. seq.* in order to confirm the employment eligibility of all employees who are newly hired for employment to perform work under the attached contract for services.

CONTRACTOR:

CliftonLarsonAllen LLP
Company Name

October 17, 2016
Date

Mark Elmshouser
Name (Print or Type)

Mark D. Elmshouser
Signature

Principal
Title

Note: Registration for the E-Verify Program can be completed at: <https://www.vis-dhs.com/employerregistration>. It is recommended that employers review the sample "memorandum of understanding" available at the website prior to registering



PROPOSAL FORM
External Audit Services



**Request for Taxpayer
Identification Number and Certification**

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

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.
CliftonLarsonAllen LLP

2 Business name/disregarded entity name, if different from above

3 Check appropriate box for federal tax classification; check only one of the following seven boxes:
 Individual/sole proprietor or single-member LLC
 Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____
Note. For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner.
 Other (see instructions) ▶ _____

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3).
 Exempt payee code (if any) _____
 Exemption from FATCA reporting code (if any) _____
(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.)
220 S 6th St, Ste 300

6 City, state, and ZIP code
Minneapolis MN 55402

7 List account number(s) here (optional)

Requester's name and address (optional)

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 Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Social security number

--	--	--	--	--	--	--	--	--	--

or

Employer identification number

4	1		0	7	4	6	7	4	9
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Note. If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

Part II Certification

Under penalties of perjury, I certify that:

- 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
- 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
- I am a U.S. citizen or other U.S. person (defined below); and
- 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 on page 3.

Sign Here Signature of U.S. person ▶ *Maithu Vora* Date ▶ **1-5-2016**

General Instructions

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

Future developments. Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at www.irs.gov/w9.

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 1088 (home mortgage interest), 1088-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?* on page 2.

By signing the filled-out form, you:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued);
- Certify that you are not subject to backup withholding; or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
- Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.

APPENDIX B

Engagement Team Resumes



Mark D. Elmshouser, CPA
CliftonLarsonAllen LLP
Principal
Greenwood Village, CO

303-779-5710
mark.elmshouser@CLAconnect.com



Relevant Experience

- Principal in the Colorado offices
- Clients include:
 - Counties
 - Cities and towns
 - School districts
 - Governmental insurance pools
 - State departments
 - Water and sanitation districts
 - A variety of special districts
- Consulting engagements include:
 - Local Colorado governments
 - TABOR analysis
 - Financial projections and cash flows
 - Budget preparation and review
 - Formation of special district authorities

Areas of Specialization

- Government audits
- Federal grant financial and compliance audits
- Nonprofit audits

Education

- Bachelor of science, accounting, Colorado State University

Professional Organizations

- American Institute of Certified Public Accountants
- Colorado Society of Certified Public Accountants (past member of CPE Compliance Not-For-Profit, and private Companies Practice Committees)
- Government Finance Officers Association
- Colorado Government Finance Officers Association

Professional Certifications

- Certified Public Accountant

Continuing Professional Education

2013

Ethics for Colorado CPAs	4
HUD Update	1
Assurance Reviews and Updates	8
PSG Fraud Update	3.5



Training for Auditors of County Human Services Departments	7
GASB Update Training	6
Public Sector Industry Conference	9
PSG Pre-Conference	4
Outsourcing	2
GASB 67 & 68 Pension Reporting	<u>3</u>
Total:	<u>47.5</u>

2014

Second Reviewer Update	1
Understanding the New CLA Technology Platform	1.5
Assurance Update	8
AICPA National Governmental Accounting & Auditing Update Conference	14
Government & Nonprofit Training Academy	8
Computer Assisted Auditing Techniques	2
Concluding & Reporting in a Single Audit Environment	2
GASB – Taking it to the Next Level	3.5
Group Audit Considerations	<u>2</u>
Total:	<u>42</u>

2015

Independence	1
Training for Auditors of County Human Services Departments	6
Risk Management and Ethics	7.5
Governmental Conference	8
Data Analysis Methodology, Tools & Resources	2
Denver Government and Nonprofit Training Academy	6
Own the Impact: Plenary Sessions	16
Fiscal Year End Single Audits	2
Assurance Quarterly Updates	4
Principal Advance	<u>10.5</u>
Total:	<u>63</u>



Paul B. Niedermuller, CPA

CliftonLarsonAllen LLP

Principal

Broomfield, CO

303-466-8822

paul.niedermuller@CLAconnect.com



Relevant Experience

- Principal in charge of Western Region State and Local Practice
- Governmental clients include:
 - Counties
 - Cities and towns
 - States and state departments
 - School districts
 - Higher education institutions
 - Variety of special districts
- Frequent speaker at GFOA, CGFOA, and numerous other events

Areas of Specialization

- Government audits
- Nonprofit audits
- Compliance audits
- Federal grant financial and compliance audits

Education

- Bachelor's of science, business administration, California Polytechnic State University, San Luis Obispo

Professional Organizations

- American Institute of Certified Public Accountants
- Colorado Society of Certified Public Accountants

Professional Certifications

- Certified Public Accountant

Continuing Professional Education

2013

	<u>Hours</u>
Colorado Rules & Regulations	2
Assurance GoFileRoom	4
Public Sector Group Fraud Update	3.5
Independence Update	2
GASB Update	6
Advanced Governmental Accounting	24
Public Sector Industry Conference	20
Public Sector Group Pre-Conference	4
GASB 67 & 68 Pension Reporting	9
Total:	<u><u>74.5</u></u>

2014

Professional Skepticism	2
Assurance Update	4
Leadership Development	79



Government & Nonprofit Training	12
Public Sector Group Virtual Conference	8
National Association of State Auditors, Comptrollers and Treasurers Conference	9
Government Accounting Overview	2
GFOA Conference	10
GASB – Taking it to the Next Level	<u>5.5</u>
Total:	<u>131.5</u>

2015

Ethics	4
Assurance Quarterly Updates	3.5
Denver Government & Nonprofit Training Academy	11
Own the Impact: Public Sector Group Sessions	16
Key Considerations when Completing Walkthroughs & Testing	2
Unraveling the Impact of OMB's Uniform Grant Guidance	8
Principal Advance 2015	<u>9.5</u>
Total:	<u>54</u>



Allison Slife, CPA
 CliftonLarsonAllen LLP
 Manager
 Broomfield, CO



303-779-5710
 allison.slife@CLAconnect.com



Relevant Experience

- Manager in the Broomfield, Colorado office
- Focused on serving the public sector
- Clients include:
 - Counties
 - Cities and towns
 - State departments
 - School districts
 - Various special districts
- Frequent speaker at CGFOA, CGHSFOA, and numerous other events

Areas of Specialization

- Governmental audits
- Compliance audits
- Federal grant financial and compliance audits

Education

- Bachelor of science, accounting and finance, Xavier University

Professional Organizations

- American Institute of Certified Public Accountants
- Colorado Society of Certified Public Accountants
- Colorado Government Finance Officers Association

Professional Certifications

- Certified Public Accountant

Continuing Professional Education

	<u>Hours</u>
2013	
Assurance Review	2
Public Sector Group Fraud Update	3.5
Training Seminar for Auditors of County Human Services Depts.	7
Public Sector Learning Day	8
GASB Update	4
Intermediate Governmental Accounting	8
Public Sector Industry Conference	16
Public Sector Group Pre-Conference	4
Ethics Violations in Single Audits	<u>2</u>
Total:	<u><u>54.5</u></u>

2014



Independence & Ethics Update	2
Government & Nonprofit Training Academy	10
Assurance Update	6
Public Sector Group Virtual Conference	8
Manager & Director Conference	22
Governmental Accounting Overview	6
Concluding & Reporting in a Single Audit Environment	6
GASB Update	3.5
Group Audit Considerations	<u>2</u>
Total:	<u>65.5</u>

2015

Assurance Quarterly Update	2
Unraveling the Impact of OMB's Uniform Grant Guidance	10
Planning for Your 2015 Fiscal Year End Single Audits	2
Considerations when Completing Walkthroughs and Internal Controls	2
Own the Impact: Public Sector Group	16
Government and Nonprofit Training Academy	10
CPAs and Independence	<u>1</u>
Total:	<u>43</u>



Jake Huolihan, CPA
 CliftonLarsonAllen LLP
 Manager
 Greenwood Village, CO



303-265-7993
 jake.huolihan@CLAconnect.com

Relevant Experience

- Governmental clients include:
 - Counties, cities, towns, and villages
 - Water and sanitation districts
 - Higher education institutions
 - School districts
 - State departments/agencies

Education

- Bachelor of business administration with majors in accounting and economics from the University of Wisconsin Oshkosh

Professional Organizations

- American Institute of Certified Public Accountants

Professional Certification

- Certified Public Accountant

Continuing Professional Education

2013	Hours
Staff 1 Training	43.5
Ethics	10
Student Financial Aid	8
Public Sector Training	8
Total:	<u>69.5</u>

2014	
LEAP: Assurance	44.5
LEAP: Productivity and Time Management	6
LEAP: Tax-Exempt	16
Government and Nonprofit Training Academy	8
Public Sector Group Conference	6
Total:	<u>80.5</u>

2015	
Ethics vs. Fraud	6
Unraveling the Impact of OMB's Uniform Grant Guidance	5
Higher Education Conference	7.5
Student Financial Aid	31.5
Train the Trainer	8.5
LEAP: Achieve	38.5
Government and Nonprofit Training Academy	10
Data Analysis Methodology, Tools and Resources	2



Total:

Haley Cox, CPA

CliftonLarsonAllen LLP

Senior Associate

Broomfield, CO

109



CliftonLarsonAllen

303-439-6027

haley.cox@CLAconnect.com



Relevant Experience

- Senior Associate in the Colorado offices
- Focused on serving the public sector
- Governmental clients include:
 - Counties
 - School districts
 - Cities and towns
 - State departments
 - Special districts
 - Insurance pools

Education

- Bachelor of Business Administration, Accounting Concentration, University of New Mexico, Albuquerque, NM
- Master of Accounting, University of New Mexico, Albuquerque, NM

Professional Organizations

- American Institute of Certified Public Accountants
- Colorado Society of CPAs

Professional Certification

- Certified Public Accountant

Continuing Professional Education

2013

	<u>Hours</u>
LEAP: Learn	43
Into to Government Accounting, and Financial Reporting/Statements	4
Skills for the Beginning Government Auditor	9
Single Audit	4
Professional Ethics	2
Changing Nonprofit Overhead's Bad Rep	1
Assurance: GoFileRoom	2
Tax Update	10
Pfx Fixed Assets Training	<u>1</u>
Total:	<u><u>76</u></u>

2014

Assurance Update	4
Tax Update	4
ProSystem Tax Training	2.5



PSG Fraud Update	3.5
Requirements of Audits of Agencies	3
Risk Assessment for Governments and Nonprofits	1.5
Forensic Data Analysis Using IDEA	16
LEAP: Experience	38
Project Management for Effective Audits	8
PSG Virtual Conference	8
Understanding New CLA Technology Platform	1.5
Independence and Ethics Update	<u>2</u>
Total:	<u>92</u>

2015

Unraveling the Impact of OMB's Uniform Grant Guidance	5
Colorado Rules and Regulations	2
Student Financial Aid	8
LEAP: Achieve	39
Government and Nonprofit Training Academy	<u>8</u>
Total:	<u>62</u>



Julie Burnell
CliftonLarsonAllen LLP
Associate
Broomfield, CO



303-439-6020

julie.burnell@CLAconnect.com

Relevant Experience

- Associate in the Broomfield, Colorado office
- Focused on serving the public sector
- Clients include:
 - Counties
 - Cities and towns
 - State departments
 - School districts
 - Various special districts
 - Non-profit organizations

Areas of Specialization

- Governmental auditing and accounting
- Federal grant financial and compliance audits

Education

- Bachelor of Science, Accounting, Delaware Valley College, Doylestown, PA
- Master of Business Administration, Finance, Delaware Valley College, Doylestown, PA

Continuing Professional Education

<u>2015</u>	<u>Hours</u>
Government Accounting Principles	7
Single Audit	4
QuickBooks Pro	10
Unraveling the Impact of OMB's Uniform Grant Guidance	5
Considerations when Completing Walkthroughs and Internal Controls	2
LEAP: Experience	39
Government and Nonprofit Training Academy	8
Total:	<u><u>75</u></u>



Ivana Ritz
CliftonLarsonAllen LLP
Associate
Greenwood Village, CO



303-265-7875
ivana.ritz@CLAconnect.com

Relevant Experience

- Focused on serving the public sector
- Governmental clients include:
 - Counties
 - Cities and towns
 - State departments
 - Higher Education state institutions

Areas of Specialization

- Governmental auditing and accounting
- Federal grant financial and compliance audits

Education

- Bachelor in Business Administration, Accounting, University of Arizona, Tucson, AZ

Continuing Professional Education

2015

	<u>Hours</u>
LEAP: Learn	47
Assurance Quarterly Update	4
Employee Benefit Plan Update	8
A&A Update for Nonprofit Group	8
Data Analysis Methodology, Tools and Resources	2
Single Audit Update	<u>2</u>
Total:	<u><u>71</u></u>



Michael S. Nyman, CPA, CISA, CISSP, CITP
CliftonLarsonAllen LLP
 IT Manager



michael.nyman@CLAconnect.com



Relevant Experience

- Specializes in information system assurance, security, and risk assessments
- Information systems auditor
- Various experience in information technology processing platforms and internal controls
- Facilitated IT control assessments including Sarbanes Oxley
- Conducted information systems audits for organizations across the country

Areas of Specialization

- Information technology assurance
- Third party reporting
- Information security assessments
- Risk assessments
- Physical security assessments

Education

- Bachelor of Science, Accounting, Brigham Young University
- Master's Degree, Information Technology, Brigham Young University

Professional Associations

- American Institute of Certified Public Accountants (AICPA)
- Information Systems Audit Control Association (ISACA)
- International Information Systems Security Certification Consortium

Professional Certifications

- Certified Public Accountant
- Certified Information Systems Auditor
- Certified Information Systems Professional
- Certified Information Technology Professional

Continuing Professional Education

2013

Professional Ethics for Arizona CPAs	4
Independence, Integrity and Objectivity	2
Information Technology Auditing	9
Hands-On IT Auditing: Stay One Step Ahead of the Hackers	8
Total:	23

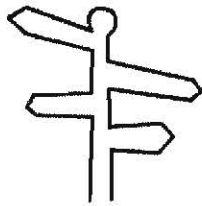
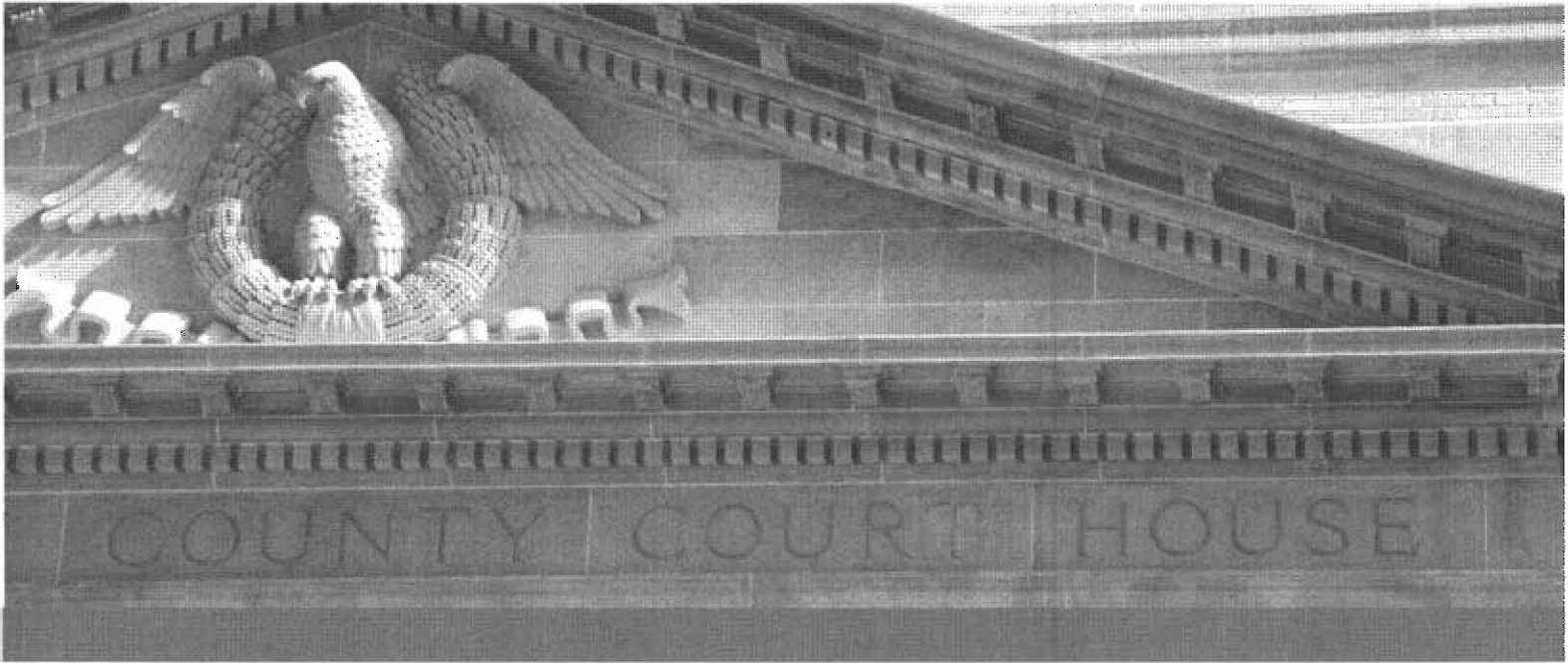
2014

Arizona School District Procurement Training	1
Financial Institutions Conference	8
Hands-On IT Auditing	8
Business Risk Services Training	8.5
SOC Auditing	14
IT Security Bootcamp	14



Technology & Security Conference	<u>15</u>
Total:	<u>68.5</u>
2015	
Higher Education Conference	2
Government and Nonprofit Training Academy	18
Risk Management and Ethics Update	7
Professional Ethics	<u>4</u>
Total:	<u>31</u>





**Request for Proposal No.
RFP-SPH-2016.712**

SEALED DOLLAR COST BID

October 17, 2016

FEE Proposal to provide professional auditing services to:

Adams County, Colorado

Prepared by:

CliftonLarsonAllen LLP
8390 E. Crescent Pkwy., Suite 500
Greenwood Village, CO 80111

Mark D. Elmshouser, CPA, Principal
303-779-5710
mark.elmshouser@CLAconnect.com



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

SEALED DOLLAR COST BID

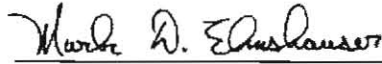
Name of Firm: CliftonLarsonAllen LLP

Contact Name: Mark D. Elmshouser

Title: Principal

Certification

Signature:



This fee proposal is a firm and irrevocable offer for 90 days, as well as for the five year period of the engagement if selected as your service provider. Please refer all questions regarding this fee proposal to me by phone at 303-779-5710, or by email at mark.elmshouser@CLAconnect.com.

As a principal, I am authorized to make representations and contractually bind the firm.

Total All-Inclusive Maximum Price for the FY2016-2020 engagement: Please see below for our pricing breakout.

TOTAL ALL-INCLUSIVE MAXIMUM PRICE

Proposed fees

	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Principals	100	\$350	\$175	\$17,500
Managers	300	\$225	\$105	31,500
Senior Associates	400	\$150	\$75	30,000
Associates	700	\$120	\$60	42,000
Out-of-Pocket Expenses				-
Total all-inclusive maximum price for the 2016 audit				\$121,000
Total all-inclusive maximum price for the 2017 audit				\$123,500
Total all-inclusive maximum price for the 2018 audit				\$126,000
Total all-inclusive maximum price for the 2019 audit				\$128,500
Total all-inclusive maximum price for the 2020 audit				\$131,000



Additional Charges

We have estimated fees that are competitive with other regional and national firms and provide the County with a level of quality and commitment that will extend for years to come. Assuming no changes in requested services or unplanned hardships during the audit, our fees will not exceed the amounts shown above. Should significant events occur or regulatory requirements change, we would address with you our fee estimates for these new matters affecting the scope of our work prior to the start of any work performed.

Out-of-Pocket Expenses Included in the Total All-Inclusive Maximum Price and Reimbursement Rates

CLA does not anticipate charging any additional out-of-pocket expenses. Any out-of-pocket expenses arising from unforeseen circumstances will be discussed and agreed upon in advance and CLA will accept reimbursement for travel, lodging and subsistence at the prevailing Adams County rates for its employees.

Rates for Additional Professional Services

It is not our policy or practice to bill our clients every time we receive a phone call. In the course of providing our services to you, we will regularly consult with you regarding accounting, financial reporting, and significant business issues. If a specific project is complex or requires significant time or resources, we will first discuss with you the scope of the project and its fee, to make sure there are no surprises. While it is difficult to establish an exact policy for billing in these situations, we commit to discussing with you in advance of performing our services if we believe the time requirement to provide you the desired assistance is other than routine. We will discuss the scope of the project and our estimate to complete it prior to commencing work. Our fees will be based on our quoted hourly rates.

Standard setters and regulators continue to evaluate and modify standards. Such changes may result in new or revised financial reporting and disclosure requirements or expand the nature, timing and scope of the activities we are required to perform. To the extent that the amount of time required to provide the services significantly increases due to such changes, our fee may need to be adjusted. We will discuss such circumstances with you prior to performing the additional work.

Our last word on fees – we are committed to serving you. Therefore, if fees are a deciding factor in your selection of an accounting firm, we would appreciate the opportunity to discuss with you the scope of our audit plan.

At CLA, it's more than just getting the job done.

Manner of Payment

Progress payments will be billed on the basis of hours of work completed during the course of the engagement. Interim billing shall cover a period of not less than a calendar month.

