

## **AGREEMENT**

THIS AGREEMENT is made and entered into as of this \_\_\_\_ day of \_\_\_\_\_ 2020, by and between the Sunrise Recreation and Park District, a political subdivision of the State of California, hereinafter referred to as the "DISTRICT," and JJACPA, INC. a Certified Public Accounting Firm, hereinafter referred to as "CONTRACTOR."

### **RECITALS**

WHEREAS, the DISTRICT wishes to engage the CONTRACTOR to provide independent audit services;

WHEREAS, the CONTRACTOR wishes to provide independent audit services to the DISTRICT

WHEREAS, DISTRICT AND CONTRACTOR desire to enter into this Agreement on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth, DISTRICT and CONTRACTOR agree as follows:

#### **I. SCOPE OF SERVICES**

A. The auditor is to perform an audit of the District's financial transactions and prepare the financial statements for the DISTRICT. The audit must be performed in accordance with generally accepted auditing standards and Government Auditing Standards as required, and will include all procedures necessary to express an opinion on the fairness of the general-purpose financial statements in accordance with generally accepted accounting principles. The audit work shall begin in October of 2020 (for fiscal year 2019/2020) as outlined in Exhibit A. This schedule is a rough outline and can be adjusted by mutual agreement between DISTRICT and CONTRACTOR. Such services shall also include:

1. Review of information prepared and provided by the DISTRICT for consistency with the financial statements and documentation requirements generally accepted by auditing standards.
2. Preparation of a management letter for the financial audit that provides an overview of the DISTRICT'S financial activities that includes basic financial statement notations, financial highlights, and a financial analysis of the DISTRICT.
3. Review of the Appropriations Limit calculation and adoption requirements in accordance with Proposition Four and Government Code and provide a conclusion if the DISTRICT is in compliance.

4. Preparation of GASB 34 Statement and all other GASB requirements.
5. File the audit reports with the County of Sacramento Auditor Controller's Office, California State Controller's Office, Moody's and others as required or assigned within thirty (30) days of Board approval. Verification of proof of submission must be sent to the DISTRICT.

B. The audit schedule prepared by CONTRACTOR is presented in Exhibit A, "CONSULTANT Task List", which is attached hereto and incorporated herein. This schedule is a rough outline and only the time line can be adjusted by mutual agreement between DISTRICT and CONTRACTOR. The auditor is to prepare a draft version of the financial audit and management letter for DISTRICT staff review. The draft version of the financial audit and management letter must be presented at a scheduled Advisory Board meeting of the DISTRICT within one year after the close of the DISTRICT'S fiscal year (during the term of the agreement). Upon Advisory Board approval, the CONTRACTOR must prepare and print five (5) bound final versions of the financial audit and one (1) unbound final version of the report. The CONTRACTOR must send one (1) bound final version of the report to the County of Sacramento Auditor Controller's Office, send one (1) bound final version to the California State Controller's Office, and submit the remaining three (3) bound reports and one (1) unbound report to the DISTRICT within thirty (30) days of Board approval. Verification of proof of submissions must be sent to the District.

**II. TERM**

This Agreement shall be effective and commence as of the date first written above and shall terminate on June 30, 2021.

**III. NOTICE**

Any notice, demand, request, consent, or approval that either party hereto may or is required to give the other pursuant to this Agreement shall be in writing and shall be either personally delivered or sent by mail, addressed as follows:

TO DISTRICT

Dave Mitchell  
 District Administrator  
 7801 Auburn Blvd.  
 Citrus Heights, CA 95610

TO CONTRACTOR

Joseph Arch, CPA  
 President/CEO  
 7080 Donlon Way, Suite #204  
 Dublin, CA 94568

Either party may change the address to which subsequent notice and/or other communications can be sent by giving written notice designating a change of address to the other party, which shall be effective upon receipt.

**IV. COMPLIANCE WITH LAWS**

CONTRACTOR shall observe and comply with all applicable Federal, State, and County laws, regulations and ordinances.

**V. GOVERNING LAWS AND JURISDICTION**

This Agreement shall be deemed to have been executed and to be performed within the State of California and shall be construed and governed by the internal laws of the State of California. Any legal proceedings arising out of or relating to this Agreement shall be brought in Sacramento County, California.

**VI. LICENSES, PERMITS AND CONTRACTUAL GOOD STANDING**

- A. CONTRACTOR shall possess and maintain all necessary licenses, permits, certificates and credentials required by the laws of the United States, the State of California, County of Sacramento and all other appropriate governmental agencies, including any certification and credentials required by DISTRICT. Failure to maintain the licenses, permits, certificates, and credentials shall be deemed a breach of this Agreement and constitutes grounds for the termination of this Agreement by DISTRICT.
- B. CONTRACTOR further certifies to DISTRICT that it and its principals are not debarred, suspended, or otherwise excluded from or ineligible for, participation in federal, State or county government contracts. Contractor certifies that it shall not contract with a Subcontractor that is so debarred or suspended.

**VII. PERFORMANCE STANDARDS**

CONTRACTOR shall perform its services under this Agreement in accordance with the industry and/or professional standards applicable to CONTRACTOR'S services.

**VIII. OWNERSHIP OF WORK PRODUCT**

All reports, documents, work papers or other written material ("written products" herein) developed by Consultant in the performance of this Agreement shall be and remain the property of Consultant; provided that the County may take, retain and disseminate copies of opinion letters prepared by Consultant under the terms of the Scope of Services, as stated in Section I above and in CONTRACTORS' Engagement Letter, dated July 27, 2020, attached hereto and incorporated herein as Exhibit B. Publication of the information directly derived from work performed or data obtained in connection with services rendered under this Agreement must first be approved in writing by DISTRICT. DISTRICT recognizes that all technical data, evaluations, plans, specifications, reports, and

other work products are instruments of CONTRACTOR'S services and are not designed for use other than what is intended by this Agreement.

**IX. STATUS OF CONTRACTOR**

- A. It is understood and agreed that Contractor (including contractor's employees) is an independent contractor and that no relationship of employer-employee exists between the parties hereto. Contractor's assigned personnel shall not be entitled to any benefits payable to employees of DISTRICT. DISTRICT is not required to make any deductions or withholdings from the compensation payable to Contractor under the provisions of this agreement; and as an independent contractor, Contractor hereby indemnifies and holds DISTRICT harmless from any and all claims that may be made against DISTRICT based upon any contention by any third party that an employer-employee relationship exists by reason of this agreement.
- B. It is further understood and agreed by the parties hereto that Contractor in the performance of its obligation hereunder is subject to the control or direction of DISTRICT as to the designation of tasks to be performed, the results to be accomplished by the services hereunder agreed to be rendered and performed, and not the means, methods, or sequence used by Contractor for accomplishing the results.
- C. If, in the performance of this agreement, any third persons are employed by Contractor, such person shall be entirely and exclusively under the direction, supervision, and control of Contractor. All terms of employment, including hours, wages, working conditions, discipline, hiring, and discharging, or any other terms of employment or requirements of law, shall be determined by Contractor, and the DISTRICT shall have no right or authority over such persons or the terms of such employment.
- D. It is further understood and agreed that as an independent contractor and not an employee of DISTRICT, neither the Contractor nor Contractor's assigned personnel shall have any entitlement as a DISTRICT employee, right to act on behalf of DISTRICT in any capacity whatsoever as agent, nor to bind DISTRICT to any obligation whatsoever. Contractor shall not be covered by worker's compensation; nor shall Contractor be entitled to compensated sick leave, vacation leave, retirement entitlement, participation in group health, dental, life and other insurance programs, or entitled to other fringe benefits payable by the DISTRICT to employees of the DISTRICT.
- E. It is further understood and agreed that Contractor must issue W-2 and 941 Forms for income and employment tax purposes, for all of contractors assigned personnel under the terms and conditions of this agreement.

**X. CONTRACTOR IDENTIFICATION**

CONTRACTOR shall provide the DISTRICT with the following information for the purpose of compliance with California Unemployment Insurance Code section 1088.8 and Sacramento County Code Chapter 2.160: CONTRACTOR'S name, address, telephone number, social security number, and whether dependent health insurance coverage is available to CONTRACTOR.

**XI. COMPLIANCE WITH CHILD, FAMILY AND SPOUSAL SUPPORT REPORTING OBLIGATIONS**

- A. CONTRACTOR's failure to comply with state and federal child, family and spousal support reporting requirements regarding a contractor's employees or failure to implement lawfully served wage and earnings assignment orders or notices of assignment relating to child, family and spousal support obligations shall constitute a default under this Agreement.
- B. CONTRACTOR's failure to cure such default within 90 days of notice by DISTRICT shall be grounds for termination of this Agreement.

**XII. BENEFITS WAIVER**

If CONTRACTOR is unincorporated, CONTRACTOR acknowledges and agrees that CONTRACTOR is not entitled to receive the following benefits and/or compensation from DISTRICT: medical, dental, vision and retirement benefits, life and disability insurance, sick leave, bereavement leave, jury duty leave, parental leave, or any other similar benefits or compensation otherwise provided to permanent civil service employees pursuant to the County Charter, the County Code, the Civil Service Rule, the Sacramento County Employees' Retirement System and/or any and all memoranda of understanding between DISTRICT and its employee organizations. Should CONTRACTOR or any employee or agent of CONTRACTOR seek to obtain such benefits from DISTRICT, CONTRACTOR agrees to indemnify and hold harmless the DISTRICT from any and all claims that may be made against the DISTRICT for such benefits.

**XIII. RETIREMENT BENEFITS/STATUS**

CONTRACTOR acknowledges and agrees that DISTRICT has not made any representations regarding entitlement, eligibility for and/or right to receive ongoing Sacramento County Employee Retirement System (SCERS) retirement benefits during the term of this Agreement. By entering into this Agreement, CONTRACTOR assumes sole and exclusive responsibility for any consequences, impacts or action relating to such retirement benefits that is or will be occasioned as a result of the services provided by CONTRACTOR under this Agreement. CONTRACTOR waives any rights to proceed against the DISTRICT

should SCERS modify or terminate retirement benefits based on CONTRACTOR's provision of services under this Agreement.

**XIV. CONFLICT OF INTEREST**

CONTRACTOR and CONTRACTOR's officers and employees shall not have a financial interest, or acquire any financial interest, direct or indirect, in any business, property or source of income which could be financially affected by or otherwise conflict in any manner or degree with the performance of services required under this Agreement.

**XV. LOBBYING AND UNION ORGANIZATION ACTIVITIES**

- A. CONTRACTOR shall comply with all certification and disclosure requirements prescribed by Section 319, Public Law 101-121 (31 U.S.C. § 1352) and any implementing regulations.
- B. If services under this Agreement are funded with state funds granted to DISTRICT, CONTRACTOR shall not utilize any such funds to assist, promote or deter union organization by employees performing work under this Agreement and shall comply with the provisions of Government Code Sections 16645 through 16649.

**XVI. NONDISCRIMINATION IN EMPLOYMENT, SERVICES, BENEFITS AND FACILITIES**

- A. CONTRACTOR agrees and assures DISTRICT that CONTRACTOR and any subcontractors shall comply with all applicable federal, state, and local Anti-discrimination laws, regulations, and ordinances and to not unlawfully discriminate, harass, or allow harassment against any employee, applicant for employment, employee or agent of DISTRICT, or recipient of services contemplated to be provided or provided under this Agreement, because of race, ancestry, marital status, color, religious creed, political belief, national origin, ethnic group identification, sex, sexual orientation, age (over 40), medical condition (including HIV and AIDS), or physical or mental disability. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment, the treatment of DISTRICT employees and agents, and recipients of services are free from such discrimination and harassment.
- B. CONTRACTOR represents that it is in compliance with and agrees that it will continue to comply with the Americans with Disabilities Act of 1990 (42 U.S.C. § 12101 et seq.), the Fair Employment and Housing Act (Government Code §§ 12900 et seq.), and regulations and guidelines issued pursuant thereto.

- C. CONTRACTOR agrees to compile data, maintain records and submit reports to permit effective enforcement of all applicable antidiscrimination laws and this provision.
- D. CONTRACTOR shall include this nondiscrimination provision in all subcontracts related to this Agreement.

**XVII. INDEMNIFICATION**

- A. To the fullest extent permitted by law, for work or services provided under this Agreement, Contractor shall indemnify, defend, and hold harmless DISTRICT and the County of Sacramento, their respective governing and advisory Boards, (emphasis added for clarity) officers, directors, officials, employees, and authorized volunteers and agents (collectively "Indemnified Parties"), from and against any and all claims, demands, actions, losses, liabilities, damages, and all expenses and costs incidental thereto (collectively "Claims"), including cost of defense, settlement, arbitration, and reasonable attorneys' fees, resulting from injuries to or death of persons, including but not limited to employees of either Party hereto, and damage to or destruction of property, or loss of use or reduction in value thereof, including but not limited to the property of either Party hereto, and recovery of monetary losses incurred by an Indemnified Party directly attributable to the performance of Contractor, arising out of, pertaining to, or relating to the negligence, recklessness, or willful misconduct of Contractor, its employees, Contractor's sub-consultants or subcontractors at any tier, or any other party for which Contractor is legally liable under law.
- B. The right to defense and indemnity under this Section shall initiate upon occurrence of an event giving rise to a Claim and, thereafter, upon tender in writing to Contractor. Contractor shall defend Indemnified Parties with counsel reasonably acceptable to County. Notwithstanding the foregoing, County shall be entitled, on its own behalf, and at the expense of Contractor, to assume control of its defense or the defense of any Indemnified Party in any legal action, with counsel reasonably selected by it. Should County elect to initially assume control of its defense, or the defense of any Indemnified Party, it does so without prejudice to its right to subsequently request that Contractor thereafter assume control of the defense and pay all reasonable attorneys' fees and costs incurred thereby.
- C. This indemnity obligation shall not be limited by the types and amounts of insurance or self-insurance maintained by Contractor or Contractor's sub-consultants or subcontractors at any tier.
- D. Nothing in this Indemnity obligation shall be construed to create any duty to, any standard of care with reference to, or any liability or obligation, contractual or otherwise, to any third party.

- E. The provisions of this Indemnity obligation shall survive the expiration or termination of the Agreement.

**XVIII. INSURANCE**

Without limiting CONTRACTOR'S indemnification, CONTRACTOR shall maintain in force at all times during the term of this Agreement and any extensions or modifications thereto, insurance as specified in Exhibit C. It is the responsibility of CONTRACTOR to notify its insurance advisor or insurance carrier(s) regarding coverage, limits, forms and other insurance requirements specified in Exhibit C. It is understood and agreed that DISTRICT shall not pay any sum to CONTRACTOR under this Agreement unless and until DISTRICT is satisfied that all insurance required by this Agreement is in force at the time services hereunder are rendered. Failure to maintain insurance as required in this agreement may be grounds for material breach of contract.

**XIX. INFORMATION TECHNOLOGY ASSURANCES**

CONTRACTOR shall take all reasonable precautions to ensure that any hardware, software, and/or embedded chip devices used by CONTRACTOR in the performance of services under this Agreement, other than those owned or provided by DISTRICT, shall be free from viruses. Nothing in this provision shall be construed to limit any rights or remedies otherwise available to DISTRICT under this Agreement.

**XX. WEB ACCESSIBILITY**

CONTRACTOR shall ensure that all web sites and web applications provided by CONTRACTOR pursuant to this Agreement shall comply with DISTRICT's Web Accessibility Policy adopted by the County Board of Supervisors on February 18, 2003 as well as any approved amendment thereto.

**XXI. COMPENSATION AND PAYMENT OF INVOICES LIMITATIONS**

- A. Compensation under this Agreement shall be limited to the Maximum Total Payment Amount set forth in Exhibit D, or Exhibit D as modified by DISTRICT in accordance with express provisions in this Agreement.
- B. CONTRACTOR shall submit an invoice in accordance with the procedures prescribed by DISTRICT, on a monthly basis up to 90% of District Financial Audit cost, and the remaining 10% upon completion of filing the audit reports in accordance with the scope. Invoices shall be submitted to DISTRICT no later than the fifteenth (15th) day of the month following the invoice period, and DISTRICT shall pay CONTRACTOR within thirty (30) days after receipt of an appropriate and correct invoice.

- C. DISTRICT operates on a July through June fiscal year. Invoices for services provided in any fiscal year must be submitted no later than July 31, one month after the end of the fiscal year. Invoices submitted after July 31 for the prior fiscal year shall not be honored by DISTRICT unless CONTRACTOR has obtained prior written DISTRICT approval to the contrary.
- D. CONTRACTOR shall maintain for four years following termination of this agreement full and complete documentation of all services and expenditures associated with performing the services covered under this Agreement. Expense documentation shall include: time sheets or payroll records for each employee; receipts for supplies; applicable subcontract expenditures; applicable overhead and indirect expenditures.
- E. In the event CONTRACTOR fails to comply with any provisions of this Agreement, DISTRICT may withhold payment until such non-compliance has been corrected.

**XXII. LEGAL TRAINING INFORMATION**

If under this Agreement CONTRACTOR is to provide training of DISTRICT personnel on legal issues, then CONTRACTOR shall submit all training and program material for prior review and written approval by DISTRICT. Only those materials approved by DISTRICT shall be utilized to provide such training.

**XXIII. SUBCONTRACTS, ASSIGNMENT**

- A. CONTRACTOR shall obtain prior written approval from DISTRICT before subcontracting any of the services delivered under this Agreement. CONTRACTOR remains legally responsible for the performance of all contract terms including work performed by third parties under subcontracts. Any subcontracting will be subject to all applicable provisions of this Agreement. CONTRACTOR shall be held responsible by DISTRICT for the performance of any subcontractor whether approved by DISTRICT or not.
- B. This Agreement is not assignable by CONTRACTOR in whole or in part, without the prior written consent of DISTRICT.

**XXIV. AMENDMENT AND WAIVER**

Except as provided herein, no alteration, amendment, variation, or waiver of the terms of this Agreement shall be valid unless made in writing and signed by both parties. Waiver by either party of any default, breach or condition precedent shall not be construed as a waiver of any other default, breach or condition precedent, or any other right hereunder. No interpretation of any provision of this Agreement shall be binding upon DISTRICT unless agreed in writing by DISTRICT ADMINISTRATOR and counsel for DISTRICT.

**XXV. SUCCESSORS**

This Agreement shall bind the successors of DISTRICT and CONTRACTOR in the same manner as if they were expressly named.

**XXVI. TIME**

Time is of the essence of this Agreement.

**XXVII. INTERPRETATION**

This Agreement shall be deemed to have been prepared equally by both of the parties, and the Agreement and its individual provisions shall not be construed or interpreted more favorably for one party on the basis that the other party prepared it.

**XXVIII. DISTRICT ADMINISTRATOR**

As used in this Agreement, "DISTRICT ADMINISTRATOR" shall mean the District Administrator of the Sunrise Recreation and Park District, or his/her designee.

**XXIX. DISPUTES**

In the event of any dispute arising out of or relating to this Agreement, the parties shall attempt, in good faith, to promptly resolve the dispute mutually between themselves. Pending resolution of any such dispute, CONTRACTOR shall continue without delay to carry out all its responsibilities under this Agreement unless the Agreement is otherwise terminated in accordance with the Termination provisions herein. DISTRICT shall not be required to make payments for any services that are the subject of this dispute resolution process until such dispute has been mutually resolved by the parties. If the dispute cannot be resolved within 15 calendar days of initiating such negotiations or such other time period as may be mutually agreed to by the parties in writing, either party may pursue its available legal and equitable remedies, pursuant to the laws of the State of California. Nothing in this Agreement or provision shall constitute a waiver of any of the government claim filing requirements set forth in Title 1, Division 3.6, of the California Government Code or as otherwise set forth in local, state and federal law.

**XXX. TERMINATION**

- A. DISTRICT may terminate this Agreement without cause upon thirty (30) days written notice to the other party. Notice shall be deemed served on the date of mailing.

- B. DISTRICT may terminate this Agreement for cause immediately upon giving written notice to CONSULTANT should CONSULTANT materially fail to perform any of the covenants contained in this Agreement in the time and/or manner specified. In the event of such termination, DISTRICT may proceed with the work in any manner deemed proper by DISTRICT. If notice of termination for cause is given by DISTRICT to CONSULTANT and it is later determined that CONSULTANT was not in default or the default was excusable, then the notice of termination shall be deemed to have been given without cause pursuant to paragraph (A) above.
- C. If this Agreement is terminated under paragraph A above, CONSULTANT shall only be paid for any services completed and provided prior to notice of termination. In the event of termination under paragraph A above, CONSULTANT shall be paid an amount which bears the same ratio to the total compensation authorized by the Agreement as the services actually performed bear to the total services of CONSULTANT covered by this Agreement, less payments of compensation previously made. In no event, however, shall DISTRICT pay CONSULTANT an amount which exceeds a pro rata portion of the Agreement total based on the portion of the Agreement term that has elapsed on the effective date of the termination.
- D. CONSULTANT shall not incur any expenses under this Agreement after notice of termination and shall cancel any outstanding expenses obligations to a third party that CONSULTANT can legally cancel.

### **XXXI. REPORTS**

CONTRACTOR shall, without additional compensation therefor, make fiscal, program evaluation, progress, and such other reports as may be reasonably required by DISTRICT ADMINISTRATOR concerning CONTRACTOR's activities as they affect the contract duties and purposes herein. DISTRICT shall explain procedures for reporting the required information.

### **XXXII. AUDITS AND RECORDS**

Upon DISTRICT'S request, DISTRICT or its designee shall have the right at reasonable times and intervals to audit, at CONTRACTOR's premises, CONTRACTOR's financial and program records as DISTRICT deems necessary to determine CONTRACTOR's compliance with legal and contractual requirements and the correctness of claims submitted by CONTRACTOR. CONTRACTOR shall maintain such records for a period of four years following termination of the Agreement, and shall make them available for copying upon DISTRICT'S request at DISTRICT'S expense. DISTRICT shall have the right to withhold any payment under this Agreement until CONTRACTOR has provided access to CONTRACTOR's financial and program records related to this Agreement.

### **XXXIII.PRIOR AGREEMENTS**

This Agreement constitutes the entire contract between DISTRICT and CONTRACTOR regarding the subject matter of this Agreement. Any prior agreements, whether oral or written, between DISTRICT and CONTRACTOR regarding the subject matter of this Agreement are hereby terminated effective immediately upon full execution of this Agreement.

### **XXXIV.SEVERABILITY**

If any term or condition of this Agreement or the application thereof to any person(s) or circumstance is held invalid or unenforceable, such invalidity or unenforceability shall not affect other terms, conditions, or applications which can be given effect without the invalid term, condition, or application; to this end the terms and conditions of this Agreement are declared severable.

### **XXXV.FORCE MAJEURE**

Neither CONTRACTOR nor DISTRICT shall be liable or responsible for delays or failures in performance resulting from events beyond the reasonable control of such party and without fault or negligence of such party. Such events shall include but not be limited to acts of God, strikes, lockouts, riots, acts of war, epidemics, acts of government, fire, power failures, nuclear accidents, earthquakes, unusually severe weather, acts of terrorism, or other disasters, whether or not similar to the foregoing, and acts or omissions or failure to cooperate of the other party or third parties (except as otherwise specifically provided herein).

### **XXXVI.SURVIVAL OF TERMS**

All services performed and deliverables provided pursuant to this Agreement are subject to all of the terms, conditions, price discounts and rates set forth herein, notwithstanding the expiration of the initial term of this Agreement or any extension thereof. Further, the terms, conditions and warranties contained in this Agreement that by their sense and context are intended to survive the completion of the performance, cancellation or termination of this Agreement shall so survive.

### **XXXVII.DUPLICATE COUNTERPARTS**

This Agreement may be executed in duplicate counterparts. The Agreement shall be deemed executed when it has been signed by both parties.

**XXXVIII. AUTHORITY TO EXECUTE**

Each person executing this Agreement represents and warrants that he or she is duly authorized and has legal authority to execute and deliver this Agreement for or on behalf of the parties to this Agreement. Each party represents and warrants to the other that the execution and delivery of the Agreement and the performance of such party's obligations hereunder have been duly authorized.

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

**SUNRISE RECREATION AND PARK  
DISTRICT, a political subdivision  
Of the State of California**

**JJACPA, INC,**  
a Certified Public Accounting Firm

By \_\_\_\_\_  
Dave Mitchell, District Administrator

By \_\_\_\_\_  
Joseph Arch, CPA President/CEO

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT A to Agreement  
between the SUNRISE RECREATION AND PARK DISTRICT  
hereinafter referred to as "DISTRICT,"  
and JJACPA INC.,  
hereinafter referred to as "CONTRACTOR"**

**Consultant Task List**

October 2020	Entrance conference
October 2020	Interim fieldwork for Financial Transactions Report and Audit
October 2020	Complete fieldwork for Financial Transactions Report and Audit
October 2020	Exit conference with District Staff to provide any findings and recommendations
November 2020	Delivery of draft Financial Transactions Report and draft required reports and Management Letter of Audit for to District review
December 2020	Assembly and distribution of final printed Audit reports
January 2021	Finalize and submit Financial Transactions Report
Feb/Mar 2021	Presentation of financial statements, management letter and signed Audit reports to the District's Board

**EXHIBIT B to Agreement  
between the SUNRISE RECREATION AND PARK DISTRICT  
hereinafter referred to as "DISTRICT,"  
and JJACPA INC.,  
hereinafter referred to as "CONTRACTOR"**

July 27, 2020

Margaret Hatton, Finance Manager  
Sunrise Recreation and Park District  
7801 Auburn Blvd.  
Citrus Heights, CA 95610

Dear Margaret:

The following represents our understanding of the services we will provide Sunrise Recreation and Park District (District):

You have requested that we audit the governmental activities of the District, as of June 30, 2020, and for the year then ended and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audit will be conducted with the objective of our expressing an opinion on each opinion unit.

Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by accounting principles generally accepted in the United States of America. This RSI will be subjected to certain limited procedures but will not be audited:

- Management's Discussion and Analysis
- Schedules of Contributions, Pension
- Schedules of the District's Proportionate Share of the Net Pension Liability

Supplementary information other than RSI will accompany the District's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on the following supplementary information in relation to the financial statements as a whole:

- Combining and individual non-major fund financial statements
- Non-major funds budgetary comparison schedules

### **The Objective of the Audit**

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

### **General Audit Procedures**

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (U.S.GAAS) and in accordance with Government Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

## **Internal Control Audit Procedures**

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS and Government Auditing Standards.

In making our risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

## **Compliance with Laws and Regulations**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

## **Management Responsibilities**

Our audit will be conducted on the basis that management acknowledge and understand that they have responsibility:

- a. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
- b. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements; and
- c. To provide us with:
  - i. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;
  - ii. Additional information that we may request from management for the purpose of the audit; and
  - iii. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
- d. For including the auditor's report in any document containing financial statements that indicates that such financial statements have been audited by the entity's auditor;
- e. For identifying and ensuring that the entity complies with the laws and regulations applicable to its activities and

- f. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility: (a) for the preparation of the supplementary information in accordance with the applicable criteria; (b) to provide us with the appropriate written representations regarding supplementary information; (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and (d) to present the supplementary information with the audited financial statements, or if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit.

### **Reporting**

We will issue a written report upon completion of our audit of the District's basic financial statements. Our report will be addressed to the governing body of the District. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

In accordance with the requirements of Government Auditing Standards, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance will not be an objective of the audit and, therefore, no such opinion will be expressed.

### **Other**

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

If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

## Provisions of Engagement Administration, Timing and Fees

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

The timing of our audit will be scheduled for performance and completion as follows:

	<i>Begin</i>	<i>Complete</i>
Document internal control and preliminary tests	10/13/20	10/15/20
Mail confirmations	10/13/20	10/15/20
Delivery of trial balance	10/10/20	10/10/20
Perform year-end audit procedures	10/13/20	11/15/20
Issue audit report	11/30/20	11/30/20
Prepare and submit Financial Transactions Report	1/31/2021	1/31/2021

Joseph J. Arch, CPA, is the engagement partner for the audit services specified in this letter. His responsibilities include supervising JJACPA's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

Our fees are based on the amount of time required at various levels of responsibility, plus actual out-of-pocket expenses.

Invoices will be rendered every two weeks and are payable upon presentation. We estimate that our fee for the audit will be \$12,300 and \$1,500 for out of pocket expenses. We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. Whenever possible, we will attempt to use the District's personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit. Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

We will provide the District with the following nonattest services:

- Prepare the annual financial statements and the Annual Report of Financial Transactions to the State Controller based on information in the trial balance and other relevant information that is provided by, and is the responsibility of, management.

With respect to any nonattest services we perform, the District's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the service performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Government Auditing Standards require that we document an assessment of the skills, knowledge, and experience of management, should we participate in any form of preparation of

the basic financial statements and related schedules or disclosures as these actions are deemed a non-audit service.

This agreement shall be governed by the laws of the State of California. If a dispute arises out of the audit engagement described herein and if the dispute cannot be settled through negotiations, the parties agree first to try in good faith to settle the dispute by mediation using an agreed upon mediator. If the parties are unable to agree on a mediator, the parties shall petition the state court that would have jurisdiction over this matter and request the appointment of a mediator, and such appointment shall be binding on the parties. Each party shall be responsible for its own mediation expenses and shall share equally in the mediator's fees and expenses.

During the course of the audit we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

We agree to retain our audit documentation or work papers for a period of at least seven years from the date of our report.

At the conclusion of our audit engagement, we will communicate to the Governing Board the following significant findings from the audit.

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

The audit documentation for this engagement is the property of JJACPA and constitutes confidential information. However, we may be requested to make certain audit documentation available to state and federal agencies and the U.S. Government Accountability Office pursuant to District given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of JJACPA's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies or regulators. The agency or regulator may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

**EXHIBIT C to Agreement  
between the SUNRISE RECREATION AND PARK DISTRICT,  
hereinafter referred to as "DISTRICT," and  
JJACPA, INC., hereinafter referred  
to as "CONTRACTOR"**

**INSURANCE REQUIREMENTS FOR CONTRACTORS**

Without limiting CONTRACTOR's indemnification, CONTRACTOR shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the CONTRACTOR, its agents, representatives or employees. DISTRICT shall retain the right at any time to review the coverage, form, and amount of the insurance required hereby. If in the opinion of the DISTRICT, insurance provisions in these requirements do not provide adequate protection for DISTRICT and for members of the public, DISTRICT may require CONTRACTOR to obtain insurance sufficient in coverage, form and amount to provide adequate protection. DISTRICT'S requirements shall be reasonable but shall be imposed to assure protection from and against the kind and extent of risks that exist at the time a change in insurance is required.

**I. VERIFICATION OF COVERAGE**

CONTRACTOR shall furnish the DISTRICT with certificates evidencing coverage required below. **Copies of required endorsements must be attached to provided certificates.** The DISTRICT may approve self-insurance programs in lieu of required policies of insurance if, in the opinion of the DISTRICT, the interests of the DISTRICT and the general public are adequately protected. All certificates, evidences of self-insurance, and additional insured endorsements are to be received and approved by the DISTRICT before performance commences. The DISTRICT reserves the right to require that CONTRACTOR provide complete, certified copies of any policy of insurance offered in compliance with these specifications.

**II. MINIMUM SCOPE OF INSURANCE**

Coverage shall be at least as broad as:

- A. GENERAL LIABILITY: Insurance Services Office's Commercial General Liability occurrence coverage form CG 0001. Including, but not limited to Premises/Operations, Products/Completed Operations, Contractual, and Personal & Advertising Injury, without additional exclusions or limitations, unless approved by the DISTRICT.
- B. AUTOMOBILE LIABILITY: Insurance Services Office's Commercial

Automobile Liability coverage form CA 0001.

1. Commercial Automobile Liability: auto coverage symbol "1" (any auto) for corporate/business owned vehicles. If there are no owned or leased vehicles, symbols 8 and 9 for non-owned and hired autos shall apply.
  2. Personal Lines automobile insurance shall apply if vehicles are individually owned.
- C. WORKERS' COMPENSATION: Statutory requirements of the State of California and Employer's Liability Insurance.
- D. PROFESSIONAL LIABILITY or Errors and Omissions Liability insurance appropriate to the CONTRACTOR's profession.
- E. UMBRELLA or Excess Liability policies are acceptable where the need for higher liability limits is noted in the Minimum Limits of Insurance and shall provide liability coverages that at least follow form over the underlying insurance requirements where necessary for Commercial General Liability, Commercial Automobile Liability, Employers' Liability, and any other liability coverage (other than Professional Liability) designated under the Minimum Scope of Insurance.

### III. **MINIMUM LIMITS OF INSURANCE**

CONTRACTOR shall maintain limits no less than:

- A. General Liability shall be on an Occurrence basis (as opposed to Claims Made basis). Minimum limits and structure shall be:

Building Trades General Aggregate:	\$2,000,000
Products Comp/Op Aggregate:	\$2,000,000
Personal & Adv. Injury:	\$1,000,000
Each Occurrence:	\$1,000,000
Fire Damage:	\$ 100,000

Contractors and Contractors engaged in other projects of construction shall have their general liability Aggregate Limit of Insurance endorsed to apply separately to each job site or project, as provided for by Insurance Services Office form CG-2503 Amendment-Aggregate Limits of Insurance (Per Project).

- B. AUTOMOBILE LIABILITY:
1. Commercial Automobile Liability for Corporate/business owned

vehicles including non-owned and hired, \$1,000,000 Combined Single Limit.

2. Personal Lines Automobile Liability for Individually owned vehicles, \$250,000 per person, \$500,000 each accident, \$100,000 property damage.

- C. WORKERS' COMPENSATION: Statutory.
- D. EMPLOYER'S LIABILITY: \$1,000,000 per accident for bodily injury or disease.
- E. PROFESSIONAL LIABILITY OR ERRORS AND OMISSIONS LIABILITY: \$1,000,000 per claim and aggregate.

#### **IV. DEDUCTIBLES AND SELF-INSURED RETENTION**

Any deductibles or self-insured retention that apply to any insurance required by this Agreement must be declared and approved by the DISTRICT.

#### **V. CLAIMS MADE PROFESSIONAL LIABILITY INSURANCE**

If professional liability coverage is written on a Claims Made form:

- A. The "Retro Date" must be shown, and must be on or before the date of the Agreement or the beginning of Agreement performance by CONTRACTOR.
- B. Insurance must be maintained and evidence of insurance must be provided for at least one (1) year after completion of the Agreement.
- C. If coverage is cancelled or non-renewed, and not replaced with another claims made policy form with a "Retro Date" prior to the contract effective date, the CONTRACTOR must purchase "extended reporting" coverage for a minimum of one (1) year after completion of the Agreement.

#### **VI. OTHER INSURANCE PROVISIONS**

The insurance policies required in this Agreement are to contain, or be endorsed to contain, as applicable, the following provision:

- A. All Policies:
  1. ACCEPTABILITY OF INSURERS: Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A-VII. The DISTRICT may waive or alter this requirement, or accept self-

insurance in lieu of any required policy of insurance if, in the opinion of the DISTRICT, the interests of the DISTRICT and the general public are adequately protected.

2. MAINTENANCE OF INSURANCE COVERAGE: The Contractor shall maintain all insurance coverages and limits in place at all times and provide the DISTRICT with evidence of each policy's renewal ten (10) days in advance of its anniversary date.

Contractor is required by this Agreement to immediately notify DISTRICT if they receive a communication from their insurance carrier or agent that any required insurance is to be canceled, non-renewed, reduced in scope or limits or otherwise materially changed. Contractor shall provide evidence that such cancelled or non-renewed or otherwise materially changed insurance has been replaced or its cancellation notice withdrawn without any interruption in coverage, scope or limits. Failure to maintain required insurance in force shall be considered a material breach of the Agreement.

**VII. COMMERCIAL GENERAL LIABILITY AND/OR COMMERCIAL AUTOMOBILE LIABILITY**

- A. ADDITIONAL INSURED STATUS: The DISTRICT, its officers, directors, officials, employees, and volunteers are to be endorsed as additional insureds as respects: liability arising out of activities performed by or on behalf of the CONTRACTOR; products and completed operations of the CONTRACTOR; premises owned, occupied or used by the CONTRACTOR; or automobiles owned, leased, hired or borrowed by the CONTRACTOR. The coverage shall contain no endorsed limitations on the scope of protection afforded to the DISTRICT, its officers, directors, officials, employees, or volunteers.
- B. CIVIL CODE PROVISION: Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code.
- C. PRIMARY INSURANCE: For any claims related to this Agreement, the CONTRACTOR's insurance coverage shall be endorsed to be primary insurance as respects the DISTRICT, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the DISTRICT, its officers, directors, officials, employees, or volunteers shall be excess of the CONTRACTOR's insurance and shall not contribute with it.
- D. SEVERABILITY OF INTEREST: The CONTRACTOR's insurance shall

apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

- E. SUBCONTRACTORS: CONTRACTOR shall be responsible for the acts and omissions of all its subcontractors and additional insured endorsements as provided by CONTRACTORs subcontractor.

#### **VIII. WORKERS' COMPENSATION**

Workers' Compensation Waiver of Subrogation: The workers' compensation policy required hereunder shall be endorsed to state that the workers' compensation carrier waives its right of subrogation against the DISTRICT, its officers, directors, officials, employees, agents or volunteers, which might arise by reason of payment under such policy in connection with performance under this Agreement by the CONTRACTOR. Should CONTRACTOR be self-insured for workers' compensation, CONTRACTOR hereby agrees to waive its right of subrogation against DISTRICT, its officers, directors, officials, employees, agents or volunteers.

#### **IX. NOTIFICATION OF CLAIM**

If any claim for damages is filed with CONTRACTOR or if any lawsuit is instituted against CONTRACTOR, that arise out of or are in any way connected with CONTRACTOR's performance under this Agreement and that in any way, directly or indirectly, contingently or otherwise, affect or might reasonably affect DISTRICT, CONTRACTOR shall give prompt and timely notice thereof to DISTRICT. Notice shall be prompt and timely if given within thirty (30) days following the date of receipt of a claim or ten (10) days following the date of service of process of a lawsuit.

**EXHIBIT D to Agreement  
between the SUNRISE RECREATION AND PARK DISTRICT  
hereinafter referred to as "DISTRICT,"  
and JJACPA, INC.  
hereinafter referred to as "CONTRACTOR"**

**BUDGET REQUIREMENTS**

**I. MAXIMUM PAYMENT TO CONTRACTOR**

The Maximum Total Payment Amount under this Agreement is: \$15,000

District Audit fiscal year ended June 30, 2020:

- \$13,500      District Financial Audit
- \$1,500      Reimbursable Expenses (not to exceed)