

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

524



FROM: Successor Agency to the Redevelopment Agency

SUBMITTAL DATE:
May 2, 2013

SUBJECT: Financial Services Agreement for Financial Audit Services with Teaman, Ramirez, & Smith, Inc.

RECOMMENDED MOTION: That the Board of Supervisors approve the attached Financial Services Agreement with Teaman, Ramirez, & Smith Inc. in the amount of \$35,000 and authorize the Chairman of the Board to execute the agreement.

BACKGROUND: Successor agencies are required to undertake the remainder of the actions required for the winding down of redevelopment activity, pursuant to the dissolution bill. The Health & Safety Code section 34177(n) requires the Successor Agency, which is a separate legal entity per HSC section 34173(g) to cause a certified public accountant to conduct a post-audit of its financial transactions and records at least once annually.

(Continued)

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 35,000	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2012/13

COMPANION ITEM ON BOARD AGENDA: No

SOURCE OF FUNDS: Successor Agency Administrative Budget	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE

BY:
Jennifer L. Sargent

County Executive Office Signature

**MINUTES OF THE BOARD OF SUPERVISORS OF THE SUCCESSOR AGENCY TO
THE REDEVELOPMENT AGENCY**

On motion of Supervisor Benoit, seconded by Supervisor Ashley and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Benoit and Ashley
Nays: None
Absent: Stone
Date: May 14, 2013
xc: RDA, EDA, Auditor

Kecia Harper-Ihem
Clerk of the Board
By:
Deputy

OFFICE OF THE COUNTY CLERK
RECEIVED RIVERSIDE COUNTY

Prev. Agn. Ref.: 4.11 of 07/17/12

District: All

Agenda Number **4-1**

FISCAL PROCEDURES APPROVED
 PAUL LANGRISH, CPA, AUDITOR-CONTROLLER
 DATE: 5/1/13
 BY:
 ANITA C. WILLIS
 FORM APPROVED COUNTY COUNSEL
 DATE: 5-1-13
 BY:

Dept' Recomm.: Consent Policy
 Per Exec. Ofc.: Consent Policy

BACKGROUND: (Continued)

Successor Agency activities will now be reported as a private purpose trust fund that is included in the financial statements of the County. Department of Finance believes the legislative intent under AB1484 is to continue the previous practice of conducting separate annual audits of the redevelopment agencies, whose responsibilities have now transferred to successor agencies. This financial audit will be conducted for the period July 1, 2012 to June 30, 2013. The cost of this financial audit of \$35,000 and is an eligible administrative expense and the approved administrative budget on ROPS III has a line item for professional audit services to cover this expense.

Staff recommends approval of this financial services agreement to conduct a financial audit for the period of July 1, 2012 through June 30, 2013.

Attachment:
Financial Services Agreement with Teaman, Ramirez, & Smith, Inc.

1 **FINANCIAL SERVICES AGREEMENT**
2 **BY AND BETWEEN**
3 **THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY**
4 **FOR THE COUNTY OF RIVERSIDE**
5 **AND TEAMAN, RAMIREZ, & SMITH, INC.**
6 **FOR FINANCIAL AUDIT SERVICES**

7 **THIS AGREEMENT**, is made and entered into this 14th day of May, 2013,
8 by and between the **SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY**
9 (RDA) for the County of Riverside (hereinafter "AGENCY"), and **TEAMAN, RAMIREZ &**
10 **SMITH, INC., Certified Public Accountants** (hereinafter "CONSULTANT").

11 **RECITALS**

12 **WHEREAS**, AGENCY is the successor in interest to the Redevelopment Agency
13 for the County of Riverside pursuant to the provisions of Section 34173 of the California
14 Health and Safety Code, acting in its capacity as Successor Agency;

15 **WHEREAS**, the Redevelopment Agency for the County of Riverside (Former
16 RDA) was a redevelopment agency duly created, established and authorized to transact
17 business and exercise its powers, all under and pursuant to the provisions of the
18 Community Redevelopment Law which is Part 1 of Division 24 of the California Health
19 and Safety Code (commencing with Section 33000 et seq.); the former RDA was
20 dissolved as of February 1, 2012 pursuant to Section 34172;

21 **WHEREAS**, pursuant to Sections 34177-34181 of the Health and Safety Code,
22 the AGENCY is authorized to make and execute contracts and other instruments
23 necessary or convenient in compliance with the Recognized Enforceable Obligation
24 Payment Schedule (ROPS) as adopted by the Agency and the Oversight Board;

25 **WHEREAS**, the proposed financial services are deemed necessary in
26 performance of an important wind down activity of the Successor Agency pursuant to
27 the approved ROPS;

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1 **WHEREAS**, pursuant to the original Request for Proposal for annual financial
2 audits of the Former RDA dated January 2009, the Former RDA had the option to enter
3 into separate annual contracts with the CONSULTANT for fiscal years ending from June
4 30, 2009 through June 30, 2013, to provide annual financial audit services. Those
5 services provided in this agreement will benefit the Successor Agency to the RDA by
6 providing financial audit services to the Successor Agency for the period from July 1,
7 2012, through the period ended June 30, 2013, as required by the HSC section
8 34177(n);

9 **WHEREAS**, the AGENCY has exercised the annual renewal option to contract
10 with CONSULTANT, and

11 **WHEREAS**, CONSULTANT; agrees to provide such services to AGENCY.

12 **NOW THEREFORE**, based on the mutual promises contained herein, the parties
13 hereto do hereby agree as follows:

14 1. **SCOPE OF WORK.** CONSULTANT will provide financial audit services
15 which are described on Exhibit "A" attached hereto.

16 2. **COMPENSATION AND METHOD OF PAYMENT.** CONSULTANT
17 compensation shall be an amount not to exceed thirty five thousand dollars (**\$35,000**).
18 CONSULTANT shall submit invoices to AGENCY for progress payments based on work
19 completed to date. AGENCY shall reimburse CONSULTANT within thirty (30) days of
20 receipt of invoice.

21 3. **AMENDMENTS TO WORK PROGRAM.** AGENCY'S Assistant County
22 Executive Officer, or designee, is authorized to approve and execute changes to the
23 Agreement. Such changes shall be mutually agreed upon by both parties , and shall be
24 incorporated in written amendments to this Agreement.

25 4. **TIME OF PERFORMANCE.** CONSULTANT shall commence and
26 complete performance of financial audit services described in Exhibit "A" Scope of Work
27 upon execution of this Agreement by the AGENCY and agrees that it will diligently and
28 responsibly pursue the performance of the services required of it by this Agreement.

1 CONSULTANT will perform the services on Exhibit "A" through completion unless the
2 scope of work is altered by written amendments pursuant to the provisions in Section 3.
3 All services to be performed herein shall be completed no later than September 30,
4 2013.

5 **5. COOPERATION BY AGENCY.** All information, data, reports, records,
6 and ledgers as they currently exist, available to AGENCY and necessary for carrying
7 out the work described, shall be furnished to CONSULTANT without charge by
8 AGENCY. AGENCY shall cooperate with CONSULTANT as appropriate to facilitate,
9 without undue delay, the work to be performed under this Agreement.

10 **6. DESIGNATED REPRESENTATIVES.** The following individuals are
11 hereby designated as representatives of the AGENCY and CONSULTANT respectively
12 to act as liaison between the parties:

13 AGENCY	CONSULTANT
14 Peggy Sanchez	Richard A Teaman, CPA
15 Deputy Director, EDA	Municipal Audit Partner
16 County of Riverside	Teaman, Ramirez, & Smith, Inc.
17 3133 Mission Inn Avenue	4201 Brockton Ave, Suite 100
18 Riverside, CA 92507	Riverside, CA 92501
19 Phone: (951) 955-3132	Phone: (951) 274-9500
20 Fax: (951) 955-9605	Fax: (951) 274-7828

21 Any change in designated representatives shall be promptly reported to the other
22 party in order to ensure proper coordination.

23 **7. STANDARDS OF PERFORMANCE.** CONSULTANT shall comply with all
24 applicable laws, ordinances and codes of the federal, state and local governments while
25 performing the services described herein in a good, skillful, and professional manner.

26 **8. OWNERSHIP OF DOCUMENTS.** Documents, reports and materials
27 prepared under this Agreement shall become the property of AGENCY upon receipt by
28 AGENCY'S designated representative named in Section 6 of this Agreement.

1 **9. PERSONNEL AND ASSIGNMENT.** CONSULTANT represents that it has
2 all personnel required to perform the services under this Agreement. CONSULTANT'S
3 personnel shall not be employed by, nor have any direct contractual relationship with
4 AGENCY. All services required hereunder shall be performed by CONSULTANT, its
5 employees, or personnel under direct contract with CONSULTANT or subcontractors, it
6 being specifically provided, however, that CONSULTANT shall not assign or
7 subcontract the performance of this Agreement nor any part thereof without the prior,
8 written consent of AGENCY.

9 **10. NON-DISCRIMINATION REQUIREMENTS.** CONSULTANT shall ensure
10 that there shall be no discrimination against or segregation of any person, or group of
11 persons, on account of race, color, creed, religion, age, sex, marital status, handicap,
12 national origin, ancestry or any category protected pursuant to the California Fair
13 Employment and Housing Act, in the performance of this Agreement and that
14 CONSULTANT, Contractor, or any person claiming under or through AGENCY shall not
15 establish or permit any such practice or practices of discrimination or segregation.

16 **11. LEGAL REVIEWS.** AGENCY may, in its sole and exclusive discretion,
17 conduct reviews to determine the legal sufficiency of any and all documents prepared
18 by CONSULTANT, by or through AGENCY Counsel.

19 **12. GOVERNING LAW; JURISDICTION.** This Agreement shall be governed
20 by and construed in accordance with the laws of the State of California. The Parties
21 agree that this Agreement has been entered into at Riverside, California, and that any
22 legal action related to the interpretation or performance of the Agreement shall be filed
23 in the Superior Court for the State of California, in Riverside, California.

24 **13. AUTHORITY OF CONSULTANT.** CONSULTANT and its agents,
25 servants, employees and subcontractors shall act at all times in an independent
26 capacity during the term of this Agreement, and shall not act as, and shall not be, nor
27 shall they in any manner be construed to be, agents, officers or employees of AGENCY,
28 and further, CONSULTANT, its agents, servants, employees and subcontractors, shall

1 not in any manner incur or have the power to incur any debt, obligation, or liability
2 against AGENCY.

3 **14. TERM AND TERMINATION.** The term of this Agreement shall commence
4 on the date of execution by the AGENCY through December 31, 2013. This Agreement
5 may be terminated by AGENCY for any reason (with or without cause) upon giving
6 fourteen (14) days written notice to CONSULTANT. AGENCY may terminate the
7 Agreement immediately when: (1) it is determined by AGENCY that CONSULTANT
8 activities are resulting in or may result in discredit to AGENCY; or (2) CONSULTANT
9 has breached a material provision of this Agreement. In the event of termination,
10 AGENCY may proceed with the work in any manner it deems to be proper and in the
11 best interests of AGENCY.

12 Either party may terminate this Agreement upon thirty (30) days written notice to
13 the other. In the event of such termination, CONSULTANT shall be compensated for all
14 services performed and expenses incurred to the date of notice of termination as
15 described in a written report to AGENCY prepared by CONSULTANT. Upon
16 termination, CONSULTANT shall submit to AGENCY all materials and reports (including
17 any uncompleted reports or unfinished work). Such compensation shall be paid within
18 thirty (30) days of termination.

19 **15. NOTICES OF TERMINATION.** Notice of termination by AGENCY to
20 CONSULTANT shall be deemed delivered if sent by certified mail, return receipt
21 requested, to: CONSULTANT; Notice by CONSULTANT to AGENCY shall be deemed
22 delivered if sent by certified mail, return receipt requested, to AGENCY:

23 **16. CONFLICT OF INTEREST.** CONSULTANT represents and agrees that
24 CONSULTANT has not employed any person to solicit or procure this Agreement, and
25 has not made, and will not make, any payment or any agreement for the payment of any
26 commission, percentage, brokerage, contingent fees, or other compensation in
27 connection with the procurement of this Agreement.

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1 **17. INDEPENDENT CONSULTANT.** It is understood and agreed that
2 CONSULTANT is an independent contractor and that no relationship of employer-
3 employee exists between the parties hereto. CONSULTANT shall not be entitled to any
4 benefits payable to employees of AGENCY including County Workers' Compensation
5 Benefits. It is further understood and agreed by the parties hereto that CONSULTANT
6 in the performance of its obligation hereunder is subject to the control or direction of
7 AGENCY merely as to the result to be accomplished by the services hereunder agreed
8 to be rendered and performed and not as to the means and methods of accomplishing
9 the results. CONSULTANT, its employees and agents shall maintain professional
10 licenses required by the laws of the State of California at all times while performing
11 services under the Agreement.

12 **18. INSURANCE.** Without limiting or diminishing CONSULTANT's obligation
13 to indemnify and hold the County harmless, CONSULTANT shall procure and maintain,
14 or cause to be maintained at its sole cost and expense, the following insurance
15 coverage during the term of this Agreement:

16 a. **Workers' Compensation:** If CONSULTANT has employees as
17 defined by the State of California, CONSULTANT shall maintain Workers'
18 Compensation Insurance (Coverage A) as prescribed by the laws of the
19 State of California. Policy shall include Employers' Liability (Coverage B)
20 including Occupational Disease with limits not less than \$1,000,000 per
21 person per accident. Policy shall be endorsed to waive subrogation in
22 favor of the County and, if applicable, provide a Borrowed
23 Servant/Alternate Employer Endorsement.

24 b. **Commercial General Liability:** Commercial General Liability
25 insurance coverage, including but not limited to, premises liability,
26 contractual liability, products/completed operations if applicable, personal
27 and advertising injury covering claims that arise from or out of
28 CONSULTANT's operations, use and management of the premises, or the

1 performance of its obligations hereunder. Policy shall name, by Policy
2 Endorsement, the County of Riverside, its Directors, Officers, Special
3 Districts, Board of Supervisors, employees, agents or representatives as
4 Additional Insured. Policy limits shall not be less than \$2,000,000 per
5 occurrence combined single limits. If Policy contains a general aggregate
6 limit, it shall apply separately to this agreement or be no less than two (2)
7 times the occurrence limit. Policy shall also contain coverage for \$5,000
8 Medical Payments per accident, per person, and Fire Legal Liability in an
9 amount not less than \$50,000.

10 c. **Vehicle Liability:** If CONSULTANT uses, or causes to be used,
11 any vehicle or mobile equipment in the performance of its obligations
12 under this Agreement, CONSULTANT shall maintain liability insurance for
13 all owned, non-owned and hired vehicles in an amount not less than
14 \$1,000,000 per occurrence combined single limit. If Policy contains a
15 general aggregate limit, it shall apply separately to this Agreement or be
16 no less than two (2) times the occurrence limit. Policy shall be endorsed to
17 name the County as Additional Insured.

18 d. **Property (Physical Damage):** All-Risk personal property insurance
19 coverage for the full replacement value of all CONSULTANT's equipment,
20 systems, structures and improvements/alterations if any (Care, Custody,
21 and Control of CONSULTANT) used on County premises, or used in any
22 way connected with the accomplishment of the work or performance of
23 services under this Agreement.

24 e. **Professional Liability:** CONSULTANT shall maintain Professional
25 Liability Insurance providing coverage for performance of work included
26 within this Agreement, with a limit of liability of not less than \$1,000,000
27 per occurrence and \$2,000,000 annual aggregate. If CONSULTANT's
28 Professional Liability Insurance is written on a claims-made basis (Project

1 Specific) rather than an occurrence basis, such insurance shall continue
2 through the term of this Agreement. Upon termination of this Agreement,
3 or the expiration or cancellation of the claims made insurance policy,
4 CONSULTANT shall purchase at its sole expense either 1) an Extended
5 Reporting Endorsement (also known as Tail Coverage), or 2) Prior Dates
6 Coverage from a new insurer with a retroactive date back to the date of, or
7 prior to, the inception of this Agreement, or 3) demonstrate through
8 Certificates of Insurance that CONSULTANT has maintained continuous
9 coverage with the same or original insurer. Coverage provided under
10 items 1), 2), or 3) will continue for a period of five (5) years beyond the
11 termination of this Agreement.

12 f. **General Insurance Provisions - All lines:**

- 13
14 (1) Any insurance carrier providing insurance coverage hereunder shall
15 be admitted to the State of California unless waived, in writing, by
16 the County Risk Manager. Carrier(s) shall have an A.M. BEST
17 rating of not less than an A:VIII. Insurance deductibles or self-
18 insured retentions must be declared by the carrier(s), and such
19 deductibles and retentions shall have the prior written consent from
20 the County Risk Manager. At the election of the Risk Manager,
21 carriers shall provide written notification, and shall either 1) reduce
22 or eliminate such deductibles or self-insured retentions, or 2)
23 procure a bond which guarantees payment of losses and related
24 investigations, claims administration, and defense costs and
25 expenses. If no written notice is received from the County Risk
26 Manager within ten (10) days of the acceptance of agreement, then
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1 such deductibles or self-insured retentions shall be deemed
2 acceptable.

- 3 (2) Cause its insurance carrier(s) to furnish the County of Riverside
4 with either 1) a properly executed original Certificate(s) of
5 Insurance and certified original copies of Endorsements effecting
6 coverage as required herein; or 2) if requested to do so in writing by
7 the County Risk Manager, provide original Certified copies of
8 policies including all Endorsements and all attachments thereto,
9 showing such insurance is in full force and effect. Except on
10 professional liability policy, the County of Riverside, its Directors
11 and Officers, Special Districts, Board of Supervisors, elected
12 officials, employees, agents or representatives are named as
13 Additional Insured. Further, said Certificates(s) and policies of
14 insurance shall contain the covenant of the insurance carrier(s) that
15 thirty (30) days written notice shall be given to the County of
16 Riverside prior to any material modification, cancellation, expiration
17 or reduction in coverage of such insurance. In the event of a
18 material modification, cancellation, expiration or reduction in
19 coverage, this lease shall terminate forthwith, unless the County of
20 Riverside receives, prior to such effective date, another properly
21 executed original Certificate of Insurance and original copies of
22 endorsements or certified original policies, including all
23 endorsements and attachments thereto evidencing coverage set
24 forth herein and the insurance required herein is in full force and
25 effect. CONSULTANT shall not take commence operations under
26 this Agreement until the County of Riverside has been furnished
27 original Certificate(s) of Insurance and certified original copies of
28 Endorsements or Policies of insurance including all endorsements

1 and any and all other attachments as required in this Section. The
2 original Endorsements for each policy and the Certificate of
3 Insurance shall be signed by an individual authorized by the
4 insurance carrier and to do so on its behalf.

- 5 (3) It is understood and agreed to by the parties hereto and the
6 insurance company(s), that the Certificate(s) of Insurance and
7 policies shall so covenant and shall, except on professional liability
8 policy, be construed as primary, and the County's insurance and/or
9 deductibles and/or self-insured retentions or self-insured programs
10 shall not be construed as contributory.

11 The County of Riverside Reserved Rights Insurance. The County
12 of Riverside reserves the right to adjust the monetary limits of
13 insurance coverage during the term of this agreement or any
14 extension thereof if in the County Risk Manager's reasonable
15 judgment, the amount or type of insurance carried by the
16 CONSULTANT becomes inadequate.

- 17 (4) CONSULTANT shall pass down the insurance obligations
18 contained herein to all tiers of subcontractors working under this
19 Agreement.

20 **19. INDEMNITY AND HOLD HARMLESS:** The CONSULTANT agrees to and
21 shall indemnify and hold harmless the County of Riverside, its Agencies, Districts,
22 Departments and Special Districts, their respective directors, officers, Board of
23 Supervisors, elected and appointed officials, employees, agents and representatives
24 (hereinafter individually and collectively referred to as "Indemnitees") from:

- 25 A. All liability, including, but not limited to loss, suits, claims, demands,
26 actions, or proceedings to the extent caused by any alleged or actual
27 negligent, reckless or intentional act, error or omission, of CONSULTANT,
28 its directors, officers, partners, employees, agents or representatives or

1 any person or organization for whom CONSULTANT is responsible,
2 arising out of or from the performance of professional services under this
3 Agreement; and

4 B. All liability, including but not limited to, loss, suits, damage, claims
5 and demands, based upon any alleged or actual act, error, omission, or
6 occurrence of CONSULTANT its directors, officers, partners, employees,
7 agents or representatives or any person or organization for whom
8 CONSULTANT is responsible, arising out of, in connection with, resulting
9 from conditions created by CONSULTANT or caused by the
10 CONSULTANT's performance or failure of performance of any work or
11 services, other than professional services covered under Section 'A'
12 above, under this Agreement.

13 As respects each and every indemnification herein CONSULTANT
14 shall defend and pay, at its sole expense, all costs and fees including but
15 not limited to attorney fees, cost of investigation, and defense and
16 settlements or awards against the County of Riverside, its Agencies,
17 Districts, Special Districts and Departments, their respective directors,
18 officers, Board of Supervisors, elected and appointed officials, employees,
19 agents and representatives.

20 With respect to any action or claim subject to indemnification herein
21 by CONSULTANT, CONSULTANT shall, at their sole cost, have the right
22 to use counsel of their own choice and shall have the right to adjust, settle,
23 or compromise any such action or claim without the prior consent of
24 County; provided, however, that any such adjustment, settlement or
25 compromise in no manner whatsoever limits or circumscribes
26 CONSULTANT's indemnification to Indemnitees as set forth herein.

27 CONSULTANT's obligation hereunder shall be satisfied when
28 CONSULTANT has provided to Indemnitees the appropriate form of

1 dismissal relieving Indemnitees from any liability for the action or claim
2 involved.

3 The specified insurance limits required in this Agreement shall in no
4 way limit or circumscribe CONSULTANT's obligations to indemnify and
5 hold harmless Indemnitees from third party claims.

6 In the event there is conflict between this clause and California Civil
7 Code Section 2782, this clause shall be interpreted to comply with Civil
8 Code 2782. Such interpretation shall not relieve the CONSULTANT from
9 indemnifying the County to the fullest extent allowed by law.

10 **21. ENTIRE AGREEMENT.** This Agreement is intended by the Parties hereto
11 as a final expression of their understanding with respect to the subject matter hereof
12 and as a complete and exclusive statement of the terms and conditions thereof and
13 supersedes any and all prior and contemporaneous agreements and understandings,
14 oral or written, in connection therewith. Any amounts to or clarification necessary to this
15 Agreement shall be in writing and acknowledged by all parties to the Agreement. This
16 Agreement may be changed or modified only upon the written consent of the Parties.

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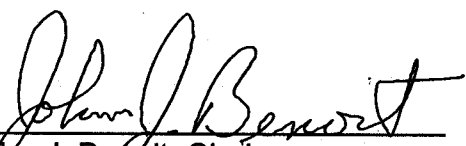
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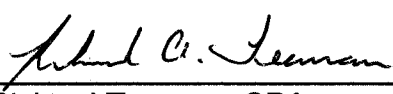
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1 **IN WITNESS WHEREOF**, the Successor Agency to the Redevelopment Agency
2 for the County of Riverside and CONSULTANT, have executed this Agreement as of
3 the date first above written.

4
5 **SUCCESSOR AGENCY**

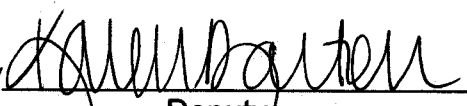
TEAMAN, RAMIREZ, & SMITH, INC.

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9 John J. Benoit, Chairman
Board of Supervisors

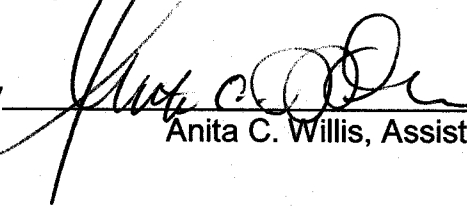


Richard Teaman, CPA
Municipal Audit Partner

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13 **ATTEST:**
14 Kecia Harper-Ihem
15 Clerk of the Board

16 By 
17 _____
18 Deputy

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22 **APPROVED AS TO FORM:**
23 Pamela J. Walls
24 County Counsel

25 By 
26 _____
27 Anita C. Willis, Assistant.

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MAY 14 2013 4-1

**EXHIBIT A
SCOPE OF WORK
FINANCIAL AUDIT SERVICES for FY 2012-2013**

For the period from July 1, 2012 through June 30, 2013, the Successor Agency to the Redevelopment Agency for the County of Riverside requests an annual audit. The audit should be conducted in accordance with auditing standards generally accepted in the United States of America applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. If necessary, the financial compliance audit shall also be conducted. The audit field work shall include but is not limited to tests of the accounting transactions and records and other procedures considered necessary to enable your firm to express an unqualified opinion that the financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles.

For this audit of the period ended June 30, 2013, the Agency will present all Agency funds as Private Purpose Trust Funds. Also, the Agency will require the audit staff to present the financial statements of Agency funds by project area in supplemental schedules to the financial statements.

The Consultant is to schedule the audit field work during the week of May 13, 2013 and to finalize audit field work during the week of August 19, 2013. By September 3, 2013, the Consultant is to submit draft audit reports to Agency management to allow for timely review prior to final issuance of the audit report on or before September 19, 2013. As the Consultant schedules staff to perform annual audit services, Consultant is to give the AGENCY consideration to assign the same on-site supervisor(s) if possible to provide continuity for service performance.

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