

**INDEPENDENT CONTRACTOR AGREEMENT FOR AUDIT SERVICES
BY AND BETWEEN
SAN JOSÉ UNIFIED SCHOOL DISTRICT
AND
MOSS ADAMS LLP**

This Independent Contractor Agreement for Audit Services ("Agreement") is made as of July 17, 2019, between the **San José Unified School District** ("District") and **Moss Adams LLP** ("Contractor"). The District and Contractor may be individually referred to herein as a "Party" or collectively referred to herein as the "Parties."

WHEREAS, the District is authorized by Section 53060 of the California Government Code to contract with and employ any persons for the furnishing of special services and advice in financial, economic, accounting, engineering, legal or administrative matters, if those persons are specially trained and experienced and competent to perform the special services required;

WHEREAS, the District requires such services and advice and the Contractor warrants that it is specially trained, licensed and experienced and competent to perform the services required by the District;

WHEREAS, the Contractor agrees to perform the Services described in this Agreement in accordance with the standards of its profession, to District's satisfaction, and in accordance with this Agreement.

NOW, THEREFORE, the Parties agree as follows:

1. **Services.** Contractor shall furnish to the District the services as more fully described in **Exhibit A** attached hereto and incorporated herein by this reference "Scope of Services" ("Services").
2. **Term.** Contractor shall commence providing services under this Agreement on **July 1, 2019**, and will diligently perform as required or requested by District as applicable. The term for these services shall expire on **June 30, 2022**. This Agreement may be extended upon mutual approval of both parties to the extent permissible under applicable law.
3. **Submittal of Documents.** The Contractor shall not commence the Work under this Contract until the Contractor has submitted and the District has approved the certificate(s) and affidavit(s), and the endorsement(s) of insurance required as indicated below:
 - 3.1. Signed Agreement
 - 3.2. Workers' Compensation Certificate
 - 3.3. Insurance Certificates & Endorsements
4. **Compensation.** District agrees to pay the Contractor for Services satisfactorily rendered pursuant to this Agreement, at the rates indicated and as more specifically described in **Exhibit B ("Schedule of Fees and Charges")**, on a fixed price basis up to a **maximum amount not-to-exceed Seventy Seven Thousand Nine Hundred Ninety Three Dollars (\$77,993.00) ("Fixed Fee")** which shall be inclusive of all associated costs for the Services including but not limited to markups, OH&P, printing, travel and other per diem expenses. District shall pay Contractor only for all undisputed amounts in installment payments within thirty (30) days after the Contractor submits an invoice to the District for Work actually completed and after the District's written approval of the Work, or the portion of the Work for which payment is to be made. Contractor has proposed the Estimated Fee for the Services provided for herein.
5. **Expenses.** District shall not be liable to Contractor for any costs or expenses paid or incurred by Contractor in performing the Work.
6. **Materials.** Contractor shall furnish, at his/her own expense, all labor, materials, equipment, supplies and other items necessary to complete the services to be provided pursuant to this Agreement.
7. **Independent Contractor.** Contractor, in the performance of this Agreement, shall be and act as an independent contractor. Contractor understands and agrees that he/she and all of his/her employees shall not be considered officers, employees, agents, partner, or joint venture of the District, and are not entitled to benefits of any kind or nature normally

provided employees of the District and/or to which District's employees are normally entitled, including, but not limited to, State Unemployment Compensation or Worker's Compensation. Contractor shall assume full responsibility for payment of all federal, state and local taxes or contributions, including unemployment insurance, social security and income taxes with respect to Contractor's employees.

8. Standard of Care.

- 8.1. Contractor represents that Contractor has the qualifications and ability to perform the Services in a professional manner, without the advice, control or supervision of District. Contractor's Services will be performed, findings obtained, reports and recommendations prepared in accordance with generally and currently accepted principles and practices of its profession for services to California school districts. Contractor's Services will be performed with due care and in accordance with applicable law, code, rule, regulation, and/or ordinance.
- 8.2. Contractor hereby represents that it possesses the necessary professional capabilities, qualifications, licenses, skilled personnel, experience, expertise, and financial resources, and it has available and will provide the necessary equipment, materials, tools, and facilities to perform the Services in an efficient, professional, and timely manner in accordance with the terms and conditions of the Agreement.
- 8.3. Contractor shall be responsible for the professional quality, technical accuracy, completeness, and coordination of the Services, and Contractor understands that the District relies upon such professional quality, accuracy, completeness, and coordination by Consultant in performing the Services.
- 8.4. Contractor shall ensure that any individual performing work under the Agreement requiring a California license shall possess the appropriate license required by the State of California. All personnel shall have sufficient skill and experience to perform the work assigned to them.

9. Originality of Services. Contractor agrees that all Deliverables submitted to the District in connection with this Agreement, shall be wholly original to Contractor and shall not be copied in whole or in part from any other source.

10. Copyright/Trademark/Patent. Contractor understands and agrees that all final reports and other completed deliverables produced under this Agreement and submitted to District by Contractor, excluding any Contractor Material (defined below) contained or embodied therein ("Deliverables") shall become the property of District and cannot be used without District's express written permission. District shall have all right, title and interest in Deliverables, including the right to secure and maintain the copyright, trademark and/or patent of Deliverables in the name of the District. However, District may not alter or amend any Deliverables issued under Contractor's name. Contractor may retain a copy of Deliverables for archival purposes. Contractor shall own its working papers, and any general skills, know-how, expertise, ideas, concepts, methods, techniques, processes, software, materials, or other intellectual property which may have been discovered, created, received, or developed by Contractor either prior to or as a result of providing services under the Agreement (collectively, "Contractor Material"). Notwithstanding anything to the contrary in this Agreement, Contractor and its personnel are free to use and employ their general skills, know-how, and expertise, and employ any generalized ideas, concepts, know-how, methods, techniques or skills gained or learned during the course of this Agreement so long as they acquire and apply such information without any unauthorized use or disclosure of confidential or proprietary information of District.

11. Termination.

- 11.1. **Without Cause by District.** District may, at any time, with or without reason, terminate this Agreement and compensate Contractor only for services satisfactorily rendered to the date of termination. Written notice by District shall be sufficient to stop further performance of services by Contractor.
- 11.2. **Without Cause by Contractor.** Contractor may, upon sixty (60) days' notice, with or without reason, terminate this Agreement. Upon this termination, District shall only be obligated to compensate Contractor for services satisfactorily rendered to the date of termination. Written notice by Contractor shall be sufficient to stop further performance of services to District. Contractor acknowledges and agrees that this sixty (60) day notice period is acceptable so that the District can attempt to procure the Services from another source. Contractor further acknowledges and agrees that Services rendered prior to any Termination Without Cause may have a reduced value to the District based on, without limitation, the incomplete nature of the Services. Accordingly, any additional costs to the District for securing the Services from another auditor may be deducted from any outstanding payments owed by the District to the Contractor.
- 11.3. **With Cause by District.** District may terminate this Agreement upon giving of written notice of intention to terminate for cause. Cause shall include:
 - 11.3.1. material violation of this Agreement by the Contractor; or

- 11.3.2. any act by Contractor exposing the District to liability to others for personal injury or property damage; or
- 11.3.3. Contractor is adjudged a bankrupt, Contractor makes a general assignment for the benefit of creditors or a receiver is appointed on account of Contractor's insolvency.

Written notice by District shall contain the reasons for such intention to terminate and, unless within three (3) calendar days after that notice the condition or violation shall cease or satisfactory arrangements for the correction thereof be made, this Agreement shall upon the expiration of the three (3) calendar days cease and terminate. In the event of this termination, the District may secure the required Services from another Contractor. The foregoing provisions are in addition to and not a limitation of any other rights or remedies available to District.

- 11.4. **With Cause by Contractor.** The Contractor has the right to terminate this Agreement if the District does not fulfill its material obligations under this Agreement and fails to cure such material default within sixty (60) days, or if the default cannot be cured within sixty (60) days, commence to cure such default, diligently pursue such cure, and complete the cure within a reasonable time following written notice and demand from Contractor. Such termination shall be effective after receipt of written notice from Contractor to the District.
- 11.5. Upon termination, Contractor shall provide the District with all Deliverables produced, maintained or collected by Contractor pursuant to this Agreement.

12. **Indemnification.** To the furthest extent permitted by California law, Contractor shall defend, indemnify, and hold free and harmless the District, its agents, representatives, officers, consultants, employees, trustees, and volunteers (“the indemnified parties”) from any and all third party claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, including without limitation the payment of all consequential damages (“Claim”) to the extent caused by the negligence, recklessness or willful misconduct of Contractor, its officials, officers, employees, subcontractors, consultants, or agents directly or indirectly arising out of, connected with, or resulting from the performance of the Services under this Agreement. Notwithstanding the foregoing, and to protect Contractor from impairment of its independence, Contractor has no obligation of indemnity hereunder if any losses are caused by the negligence (whether sole, concurrent, or contributory) of the District. District agrees to provide Contractor with prompt notice of any claim or action for which it seeks indemnification herein.

13. **Insurance.**

- 13.1. The Contractor shall procure and maintain at all times it performs any portion of the Services the following insurance with minimum limits equal to the amount indicated below.
 - 13.1.1. **Commercial General Liability and Automobile Liability Insurance.** Commercial General Liability Insurance and Auto Automobile Liability Insurance that insure against all claims of bodily injury, property damage, personal injury, death, advertising injury, and medical payments arising from Contractor’s performance of any portion of the Services. (Form CG 0001 and CA 0001 or equivalent)
 - 13.1.2. **Workers’ Compensation and Employers’ Liability Insurance.** Workers’ Compensation Insurance and Employers’ Liability Insurance for all of its employees performing any portion of the Services. In accordance with provisions of section 3700 of the California Labor Code, the Contractor shall be required to secure workers’ compensation coverage for its employees. If any class of employee or employees engaged in performing any portion of the Services under this Agreement are not protected under the Workers’ Compensation Statute, adequate insurance coverage for the protection of any employee(s) not otherwise protected must be obtained before any of those employee(s) commence performing any portion of the Services.
 - 13.1.3. **Professional Liability (Errors and Omissions).** Professional Liability (Errors and Omissions) Insurance as appropriate to the Contractor’s profession.

| Type of Coverage | Minimum Requirement |
|---|---------------------|
| Commercial General Liability Insurance , including Bodily Injury, Personal Injury, Property Damage, Advertising Injury, and Medical Payments | |
| Each Occurrence | \$ 1,000,000 |
| General Aggregate | \$ 2,000,000 |
| Automobile Liability Insurance | |
| Each Occurrence | \$ 1,000,000 |
| General Aggregate | \$ 2,000,000 |

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|-------------------------------|------------------|
| Professional Liability | \$ 2,000,000 |
| Workers Compensation | Statutory Limits |
| Employer's Liability | \$ 1,000,000 |

- 13.2. **Proof of Carriage of Insurance.** The Contractor shall not commence performing any portion of the Services until all required insurance has been obtained and certificates indicating the required coverage's have been delivered in duplicate to the District and approved by the District. Certificates and insurance policies shall include the following:
- 13.2.1. Language stating in particular those insured, extent of insurance, location and operation to which insurance applies, expiration date, to whom cancellation and reduction notice will be sent, and length of notice period.
 - 13.2.2. An endorsement stating that the District and its representatives, employees, trustees, officers, and volunteers are named additional insureds (by blanket endorsement) under all policies except Workers' Compensation Insurance, Professional Liability, and Employers' Liability Insurance. An endorsement shall also state that Contractor's insurance policies shall be primary to any insurance or self-insurance maintained by District.
 - 13.2.3. All policies shall be written on an occurrence form, except for Professional Liability which shall be on a claims-made form.
- 13.3. **Acceptability of Insurers.** Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A—: VII, unless otherwise acceptable to the District.
- 13.4. **Cancellation of Insurance.** Contractor shall provide prompt notice to the District in the event it receives a notice of cancellation of any of the policies required herein.
14. **Assignment.** The obligations of the Contractor pursuant to this Agreement shall not be assigned by the Contractor.
15. **Compliance with Laws.** Contractor shall observe and comply with all applicable federal, state, and local laws, ordinances and regulations. Contractor shall give all notices required by any law, ordinance, rule and regulation bearing on conduct of the Work as indicated or specified.
16. **Permits/Licenses.** Contractor and all Contractor's employees or agents shall secure and maintain in force such permits and licenses as are required by law in connection with the furnishing of services pursuant to this agreement.
17. **Safety and Security.** Contractor is responsible for maintaining safety in their performance of this Agreement. Contractor shall be responsible to ascertain from the District the rules and regulations pertaining to safety, security, and driving on school grounds, particularly when children are present.
18. **Employment with Public Agency.** Contractor, if an employee of another public agency, agrees that Contractor will not receive salary or remuneration, other than vacation pay, as an employee of another public agency for the actual time in which services are actually being performed pursuant to this Agreement.
19. **Anti-Discrimination.** It is the policy of the District that in connection with all work performed under Contracts there be no discrimination against any employee engaged in the work because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status and therefore the Contractor agrees to comply with applicable Federal and California laws including, but not limited to the California Fair Employment and Housing Act beginning with Government Code Section 12900 and Labor Code Section 1735. In addition, the Contractor agrees to require like compliance by all its subcontractor(s) that provide Services to the Contractor pursuant to this Agreement.
20. **Fingerprinting of Employees.** The District has determined pursuant to Education Code section 45125.2 that on the basis of scope of Services in this Agreement that the Contractor, and its subcontractors and employees will have only limited contact with pupils. However, if the nature of the Services were to change so Contractor has more than limited contact with pupils, the Contractor shall comply with the provisions of Education Code section 45125.01 regarding the submission of employee fingerprints to the California Department of Justice and the completion of criminal background investigations of its employees as may be appropriate during the term of the Agreement. The Contractor shall not permit

any employee to have more than limited contact with District pupils until such time as the Contractor has verified in writing to the District that the employee has not been convicted of a felony, as defined in Education Code section 45122.1. The Contractor's responsibility shall extend to all employees, agents, and employees or agents of its subcontracts regardless of whether those individuals are paid or unpaid, concurrently employed by the District, or acting as independent contractors of the Contractor. Upon request by the District, verification of compliance with this section shall be provided in writing to the District prior to each individual's commencement of employment or participation on the Services and prior to permitting more than limited contact with any pupils.

21. **Audit.** Contractor shall establish and maintain books, records, and systems of account, in accordance with generally accepted accounting principles, reflecting all services of Contractor transacted under this Agreement. Contractor shall retain these books, records, and systems of account during the Term of this Agreement and for five (5) years thereafter. Contractor shall permit the District, its agent, other representatives, or an independent auditor to audit, examine, and make excerpts, copies, and transcripts from all books and records, and to make audit(s) of all billing statements, invoices, records, and other data related to the Services covered by this Agreement. Audit(s) may be performed at any time, provided that the District shall give reasonable prior notice to Contractor and shall conduct audit(s) during Contractor's normal business hours, unless Contractor otherwise consents. The Contractor may keep from this audit any Contractor Material that it is forbidden, by applicable law or professional standards, to disclose to the District, a third-party auditor, or any agency with jurisdiction.
22. **District's Evaluation of Contractor and Contractor's Employees and/or Subcontractors.** The District may evaluate the Contractor in any manner which is permissible under the law. The District's evaluation may include, without limitation:
 - 22.1. Requesting that District employee(s) evaluate the Contractor and the Contractor's employees and subcontractors and each of their performance.
23. **Limitation of Parties' Liability.** Other than as provided in this Agreement, District's financial obligations under this Agreement shall be limited to the payment of the compensation provided in this Agreement. Notwithstanding any other provision of this Agreement, and except for the Contractor's indemnification obligation, in no event, shall either party be liable, regardless of whether any claim is based on contract or tort, for any special, consequential, indirect or incidental damages, including, but not limited to, lost profits or revenue, arising out of or in connection with this Agreement for the services performed in connection with this Agreement.
24. **Disputes:** In the event of a dispute between the parties as to performance of Work, Agreement interpretation, or payment, the Parties shall attempt to resolve the dispute by negotiation and/or mediation, if agreed to by the Parties. Pending resolution of the dispute, Contractor shall neither rescind the Agreement nor stop Work.
25. **Confidentiality.** The Contractor and all Contractor's agents, personnel, employee(s), and/or subcontractor(s) shall maintain the confidentiality of all information received in the course of performing the Services. This requirement to maintain confidentiality shall extend beyond the termination of this Agreement.
26. **Notice.** Any notice required or permitted to be given under this Agreement shall be deemed to have been given, served, and received if given in writing and either personally delivered or sent by overnight delivery service, addressed as follows:

San José Unified School District
855 Lenzen Avenue
San Jose, CA 95126
Attn: Internal Auditor

Moss Adams LLP
635 Campbell Technology Parkway
Campbell, CA 95008
Attn: Stephen Bacchetti
With copy to: General Counsel
999 Third Avenue Suite 2800
Seattle WA 98104

Any notice personally given shall be effective upon receipt. Any notice sent by overnight delivery service shall be effective the business day next following delivery thereof to the overnight delivery service.

27. **Integration/Entire Agreement of Parties.** This Agreement constitutes the entire agreement between the Parties and supersedes all prior discussions, negotiations, and agreements, whether oral or written. This Agreement may be amended or modified only by a written instrument executed by both Parties.

- 28. **California Law.** This Agreement shall be governed by and the rights, duties and obligations of the Parties shall be determined and enforced in accordance with the laws of the State of California. The Parties further agree that any action or proceeding brought to enforce the terms and conditions of this Agreement shall be maintained in the California county in which the District’s administration offices are located.
- 29. **Waiver.** The waiver by either party of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant, condition, or any subsequent breach of the same or any other term, covenant, or condition herein contained.
- 30. **Severability.** If any term, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force and effect, and shall not be affected, impaired or invalidated in any way.
- 31. **Incorporation of Recitals and Exhibits.** The Recitals and each exhibit attached hereto are hereby incorporated herein by reference.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date indicated below.

San José Unified School District

Date: 7/29/2019

By: 
Print Name: Steve Adamo

Print Title: Director



Moss Adams LLP

Date: 7/24/2019

Signature By: 
Print Name: Mark Steranka

Print Title: Partner

Date: 7/23/2019

Initial By: 
Print Name: Stephen Bacchetti
Print Title: Senior Manager

WORKERS' COMPENSATION CERTIFICATION

Labor Code Section 3700 in relevant part provides that every employer except the State shall secure the payment of compensation in one or more of the following ways:

- By being insured against liability to pay compensation by one or more insurers duly authorized to write compensation insurance in this State.
- By securing from the Director of Industrial Relations a certificate of consent to self-insure, which may be given upon furnishing proof satisfactory to the Director of Industrial Relations of ability to self-insure and to pay any compensation that may become due to its employees.

I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the Work of this Contract.

Date: 7/24/2019
Proper Name of Contractor: Moss Adams LLP
Signature: 
Print Name: Mark Steranka
Title: Partner

(In accordance with Article 5 – commencing at Section 1860, Chapter 1, part 7, Division 2 of the Labor Code, the above certificate must be signed and filed with the District prior to performing any Work under this Contract.)

EXHIBIT A
Scope of Services

The District has requested that Contractor audit the District's compliance with the requirement that Bond Measure H funds have been expended only on the specific projects listed in its Measure H Implementation Plan, in accordance with the compliance requirements of California's Proposition 39, the California Constitution ("State Constitution") Article XIII A, and California Education Code ("Education Code") section 15272, for each of the fiscal periods 2019 through 2023.

Contractor's performance audit objectives include:

1. Evaluating the use of Measure H Bond Funds for compliance with Proposition 39 and Bond Program purposes.
2. Evaluating any new projects started in Measure H Bond Fund to determine if the project work is consistent with Measure H Bond Language.
3. Validating the use of District Construction Manual policies and procedures.

Due to inherent limitations in any internal control structure, errors or irregularities may occur and not be detected. Also, projections of any evaluation of the internal control structure to future periods are subject to the risk that the internal control structure may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. If during the assessment Contractor becomes aware of reportable conditions that are significant deficiencies in the design or operation of the internal control structure, Contractor will communicate them to District immediately.

Stephen Bacchetti and Mark Steranka are responsible for supervising the Services and authorizing the signing of our report

Reporting

Contractor will issue a written report upon completion of the performance audit of the District's compliance with the compliance requirements described above and with sufficient time for the District to provide the report to its oversight committee and its governing board prior to the timeframe required by applicable law. The report will be addressed to the District's governing board and delivered to the Internal Audit Department of the District. Contractor cannot provide assurance that no findings of noncompliance will be reported. Circumstances may arise in which it is necessary for Contractor to report findings of noncompliance or withdraw from the engagement. Contractor's services will be concluded upon delivery to District of the performance audit report on District's compliance with the compliance requirements described above for the fiscal year 2022/2023.

Additional Services

District may request that Contractor perform additional services not contemplated by this Scope of Work ("Additional Services"). If that occurs, the District and Contractor shall either execute a written amendment to this Agreement or execute a separate agreement for the Additional Services. If Contractor performs Additional Services without an amendment or separate agreement, Contractor may be compensated for the Additional Services, but only at the District's sole discretion.

Objectives of the Audit

The objective of the audit is to report findings and conclusions regarding the District's compliance with the requirement that the Bond Measure H funds be expended only on specific projects, in accordance with the compliance requirements of the language of Measure H, California's Proposition 39, the State Constitution, and the Education Code.

Contractor shall conduct the audit in accordance with the standards for performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. It will include tests of District's records, compliance with the requirements, and other procedures Contractor considers necessary to enable it to form conclusions and to render the required report. If the audit findings and conclusions indicate the District is out of compliance, Contractor shall discuss the reasons with District in advance. If, for any reason, Contractor is unable to complete the audit or is unable

to form or have not formed an opinion, Contractor shall provide a written statement to the District explaining with specificity why the audit could not be complete, or why Contractor could not form an opinion.

Procedures and Limitations

Contractor's procedures may include tests of documentary evidence supporting compliance and direct confirmation of certain items by correspondence with selected entities or individuals. Contractor may also request written representations from District's attorneys as part of the engagement. At the conclusion of the audit, Contractor will require certain written representations from management about the District's compliance with the compliance requirements and related matters. Management's failure to provide representations to Contractor's satisfaction may preclude Contractor from issuing the report.

An audit includes examining evidence, on a test basis, supporting compliance. Therefore, the audit will involve judgment about the number of transactions to be examined and the areas to be tested. Contractor will plan and perform the audit to obtain reasonable, rather than absolute, assurance that evidence is sufficient and appropriate to support Contractor's findings and conclusions in relation to the audit objectives. Pursuant to *Government Auditing Standards*, Contractor will not provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk exists that some material noncompliance may not be detected, even though the audit is properly planned and performed in accordance with *Government Auditing Standards*. An audit is not designed to detect immaterial noncompliance with the provisions of laws, regulations, contracts, and grant agreements that do not have a direct and material effect on overall program compliance. However, Contractor will inform District of any matters of that nature that come to Contractor's attention, unless clearly inconsequential. Contractor's responsibility as auditors is limited to the period covered by the Agreement and does not extend to any time period for which Contractor is not engaged as auditors.

Contractor shall issue a preliminary draft of the performance audit report, including findings and conclusions, to District for review. Any preliminary draft performance audit report or findings and conclusions should not be relied upon, reproduced or otherwise distributed without the written permission of Moss Adams, except the District is permitted at its discretion to circulate any preliminary report to District staff as deemed necessary by the District, and to the District's Governing Board.

District's Responsibility

District is responsible for informing Contractor about all known or suspected fraud affecting the District involving: (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on compliance. District is responsible for informing Contractor of District's knowledge of any allegations of fraud or suspected fraud affecting the District received in communications from employees, former employees, regulators or others.

The District is responsible for establishing and maintaining internal control over compliance with the provisions of the Measure H bonds, and for identifying and ensuring that District complies with such provisions. District is responsible for making all relevant records and related information available to Contractor and for the accuracy and completeness of that information. District will provide Contractor with:

- Access to all information of which District is aware that is relevant to the District's compliance with Program requirements, such as records, documentation, and other matters;
- Additional information that Contractor may request from District for the purpose of the audit and that is reasonably necessary for Contractor to furnish the Services; and
- Reasonable access to persons within the District from whom Contractor determines it necessary to obtain audit evidence, upon authorization of the District.

Changes in Professional or Regulatory Standards

To the extent that future federal, state, or professional rule-making activities require modification of the audit approach, procedures, Services, etc., Contractor will promptly advise District of such changes and the impact on the Services.

Representations of Management

During the course of the engagement, Contractor may request information and explanations from management regarding, among other matters, the District's operations, internal control, future plans, specific transactions, and accounting systems and procedures. The procedures that Contractor will perform in the engagement will be heavily influenced by the representations that are received from management. Accordingly, false representations could cause Contractor to expend unnecessary efforts or could cause a material noncompliance or fraud to go undetected by the procedures. In view of the foregoing, District agrees that Contractor will not be responsible for any District noncompliance with the compliance requirements that Contractor fails to detect as a result of false or misleading representations, whether oral or written, that are made to Contractor by the District's management.

Use of Non-licensed Personnel

As appropriate, certain engagement personnel who are not licensed as certified public accountants may provide services during this engagement.

EXHIBIT B
Schedule of Fees and Charges

The Services shall be provided for annual Fixed Fees as follows;

- \$24,985 for FY 2019/2020
- \$25,984 for FY 2020/2021
- \$27,024 for FY 2021/2022

If extended in accordance with this Agreement, the Fixed Fees are as follows;

- \$28,105 for FY 2022/2023
- \$29,229 for FY 2023/2024.

Method of Payment

1. Contractor shall submit invoices on a form and in the format approved by the District. All invoices shall provide sufficient detail for the District to verify the Services provided.
2. Contractor shall submit these invoices electronically to the District via the District's authorized representative.
3. Upon request by the District, Contractor shall submit documentation showing proof that payments were made to his/her subcontractors.
4. Upon receipt and approval of Contractor's invoices, the District agrees to make payments on all undisputed amounts within thirty (30) days of receipt of the invoice.