

PROFESSIONAL CONSULTANT SERVICES AGREEMENT

CLIFTONLARSONALLEN LLP

Audit of Financial Statements Fiscal Years Ending June 30 (RFP No. 2290)

THIS PROFESSIONAL CONSULTANT SERVICES AGREEMENT (“Agreement”) is made and entered into this _____ day of _____, 2024 (“Effective Date”), by and between the CITY OF RIVERSIDE, a California charter city and municipal corporation (“City”), and CLIFTONLARSONALLEN LLP, a Minnesota limited liability partnership authorized to do business in California (“Consultant”).

1. **Scope of Services.** City agrees to retain and does hereby retain Consultant and Consultant agrees to provide the services more particularly described in Exhibit “A,” “Scope of Services” (“Services”), attached hereto and incorporated herein by reference, in conjunction with Audit of Financial Statements Fiscal Years Ending June 30 (RFP No. 2290) (“Project”).

2. **Term.** This Agreement shall be effective on the date first written above and shall remain in effect until June 30, 2025, or until the audit for the applicable fiscal year has been completed, unless otherwise terminated pursuant to the provisions herein. Upon written agreement of both parties, this Agreement may be renewed annually up to a maximum total Agreement term of five (5) years, plus any additional time needed to complete an audit for the applicable fiscal year.

3. **Compensation/Payment.** Consultant shall perform the Services under this Agreement for the total sum not to exceed One Million Ninety-Six Thousand Twenty Dollars (\$1,096,020.00), payable in accordance with the terms set forth in Exhibit “B.” Said payment shall be made in accordance with City’s usual accounting procedures upon receipt and approval of an itemized invoice setting forth the services performed. The invoices shall be delivered to City at the address set forth in Section 4 hereof.

4. **Notices.** Any notices required to be given, hereunder shall be in writing and shall be personally served or given by mail. Any notice given by mail shall be deemed given when deposited in the United States Mail, certified and postage prepaid, addressed to the party to be served as follows:

To City

Finance Department
City of Riverside
Attn: Ryan Carter
3900 Main Street
Riverside, CA 92522

To Consultant

CliftonLarsonAllen LLP
Attn: Daphnie Munoz
2875 Michelle Drive, Suite 300
Irvine, CA 92606

5. **Prevailing Wage.** If applicable, Consultant and all subcontractors are required to pay the general prevailing wage rates of per diem wages and overtime and holiday wages determined by the Director of the Department of Industrial Relations under Section 1720 et seq. of the California Labor Code and implemented by Resolution No. 13346 of the City Council of the City of Riverside. The Director's determination is available on-line at www.dir.ca.gov/dlst/DPreWageDetermination.htm and is referred to and made a part hereof; the wage rates therein ascertained, determined, and specified are referred to and made a part hereof as though fully set forth herein.

6. **Contract Administration.** A designee of the City will be appointed in writing by the City Manager or Department Director to administer this Agreement on behalf of City and shall be referred to herein as Contract Administrator.

7. **Standard of Performance.** While performing the Services, Consultant shall exercise the reasonable professional care and skill customarily exercised by reputable members of Consultant's profession practicing in the Metropolitan Southern California Area and shall use reasonable diligence and best judgment while exercising its professional skill and expertise.

8. **Personnel.** Consultant shall furnish all personnel necessary to perform the Services and shall be responsible for their performance and compensation. Consultant recognizes that the qualifications and experience of the personnel to be used are vital to professional and timely completion of the Services. The key personnel listed in Exhibit "C" attached hereto and incorporated herein by this reference and assigned to perform portions of the Services shall remain assigned through completion of the Services, unless otherwise mutually agreed by the parties in writing, or caused by hardship or resignation in which case substitutes shall be subject to City approval.

9. **Assignment and Subcontracting.** Neither party shall assign any right, interest, or obligation in or under this Agreement to any other entity without prior written consent of the other party. In any event, no assignment shall be made unless the assignee expressly assumes the obligations of assignor under this Agreement, in a writing satisfactory to the parties. Consultant acknowledges that any assignment may, at the City's sole discretion, require City Manager and/or City Council approval. Consultant shall not subcontract any portion of the work required by this Agreement without prior written approval by the responsible City Contract Administrator. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement, including without limitation, the insurance obligations set forth in Section 12. The Consultant acknowledges and agrees that the City is an intended beneficiary of any work performed by any subcontractor for purposes of establishing a duty of care between any subcontractor and the City.

10. **Independent Contractor.** In the performance of this Agreement, Consultant, and Consultant's employees, subcontractors and agents, shall act in an independent capacity as independent contractors, and not as officers or employees of the City of Riverside. Consultant acknowledges and agrees that the City has no obligation to pay or withhold state or federal taxes or to provide workers' compensation or unemployment insurance to Consultant, or to Consultant's employees, subcontractors and agents. Consultant, as an independent contractor, shall be responsible for any and all taxes that apply to Consultant as an employer.

11. **Indemnification.**

11.1 **Design Professional Defined.** For purposes of this Agreement, “Design Professional” includes the following:

- A. An individual licensed as an architect pursuant to Chapter 3 (commencing with Section 5500) of Division 3 of the Business and Professions Code, and a business entity offering architectural services in accordance with that chapter.
- B. An individual licensed as a landscape architect pursuant to Chapter 3.5 (commencing with Section 5615) of Division 3 of the Business and Professions Code, and a business entity offering landscape architectural services in accordance with that chapter.
- C. An individual registered as a professional engineer pursuant to Chapter 7 (commencing with Section 6700) of Division 3 of the Business and Professions Code, and a business entity offering professional engineering services in accordance with that chapter.
- D. An individual licensed as a professional land surveyor pursuant to Chapter 15 (commencing with Section 8700) of Division 3 of the Business and Professions Code, and a business entity offering professional land surveying services in accordance with that chapter.

11.2 **Defense Obligation For Design Professional Liability.** Consultant agrees, at its cost and expense, to promptly defend the City, and the City’s employees, officers, managers, agents and council members (collectively the “Parties to be Defended”) from and against any and all claims, allegations, lawsuits, arbitration proceedings, administrative proceedings, regulatory proceedings, or other legal proceedings to the extent the same arise out of, pertain to, or relate to the negligence, recklessness or willful misconduct of Consultant, or anyone employed by or working under the Consultant or for services rendered to the Consultant in the performance of the Agreement, notwithstanding that the City may have benefited from its work or services and whether or not caused in part by the negligence of an Indemnified Party. Consultant agrees to provide this defense immediately upon written notice from the City, and with well qualified, adequately insured and experienced legal counsel acceptable to City. Consultant will reimburse City for reasonable defense costs for claims arising out of Consultant’s professional negligence based on the percentage of Consultant’s liability. This obligation to defend as set forth herein is binding on the successors, assigns and heirs of Consultant and shall survive the termination of Consultant’s Services under this Agreement.

11.3 **Indemnity For Design Professional Liability.** When the law establishes a professional standard of care for Consultant’s services, to the fullest extent permitted by law, Consultant shall indemnify, protect and hold harmless the City and the City’s employees, officers, managers, agents, and Council Members (“Indemnified Parties”) from and against any and all claim for damage, charge, lawsuit, action, judicial, administrative, regulatory or arbitration proceeding, damage, cost, expense (including counsel and expert fees), judgment, civil fines and

penalties, liabilities or losses of any kind or nature whatsoever to the extent the same arise out of, pertain to, or relate to the negligence, recklessness or willful misconduct of Consultant, or anyone employed by or working under the Consultant or for services rendered to the Consultant in the performance of the Agreement, notwithstanding that the City may have benefited from its work or services and whether or not caused in part by the negligence of an Indemnified Party.

11.4 Defense Obligation For Other Than Design Professional Liability.

Consultant agrees, at its cost and expense, to promptly defend the City, and the City's employees, officers, managers, agents and council members (collectively the "Parties to be Defended") from and against any and all claims, allegations, lawsuits, arbitration proceedings, administrative proceedings, regulatory proceedings, or other legal proceedings which arise out of, or relate to, or are in any way connected with: 1) the Services, work, activities, operations, or duties of the Consultant, or of anyone employed by or working under the Consultant, or 2) any breach of the Agreement by the Consultant. This duty to defend shall apply whether or not such claims, allegations, lawsuits or proceedings have merit or are meritless, or which involve claims or allegations that any or all of the Parties to be Defended were actively, passively, or concurrently negligent, or which otherwise assert that the Parties to be Defended are responsible, in whole or in part, for any loss, damage or injury. Consultant agrees to provide this defense immediately upon written notice from the City, and with well qualified, adequately insured and experienced legal counsel acceptable to City. This obligation to defend as set forth herein is binding on the successors, assigns and heirs of Consultant and shall survive the termination of Consultant's Services under this Agreement.

11.5 Indemnity For Other Than Design Professional Liability.

Except as to the sole negligence or willful misconduct of the City, Consultant agrees to indemnify, protect and hold harmless the Indemnified Parties from and against any claim for damage, charge, lawsuit, action, judicial, administrative, regulatory or arbitration proceeding, damage, cost, expense (including counsel and expert fees), judgment, civil fine and penalties, liabilities or losses of any kind or nature whatsoever whether actual, threatened or alleged, which arise out of, pertain to, or relate to, or are a consequence of, or are attributable to, or are in any manner connected with the performance of the Services, work, activities, operations or duties of the Consultant, or anyone employed by or working under the Consultant or for services rendered to Consultant in the performance of this Agreement, notwithstanding that the City may have benefited from its work or services. This indemnification provision shall apply to any acts, omissions, negligence, recklessness, or willful misconduct, whether active or passive, on the part of the Consultant or anyone employed or working under the Consultant.

12. Insurance.

12.1 General Provisions.

Prior to the City's execution of this Agreement, Consultant shall provide satisfactory evidence of, and shall thereafter maintain during the term of this Agreement, such insurance policies and coverages in the types, limits, forms and ratings required herein. The rating and required insurance policies and coverages may be modified in writing by the City's Risk Manager or City Attorney, or a designee, unless such modification is prohibited by law.

12.1.1 **Limitations.** These minimum amounts of coverage shall not constitute any limitation or cap on Consultant's indemnification obligations under Section 11 hereof.

12.1.2 **Ratings.** Any insurance policy or coverage provided by Consultant or subcontractors as required by this Agreement shall be deemed inadequate and a material breach of this Agreement, unless such policy or coverage is issued by insurance companies authorized to transact insurance business in the State of California with a policy holder's rating of A or higher and a Financial Class of VII or higher.

12.1.3 **Cancellation.** The policies shall not be canceled unless thirty (30) days' prior written notification of intended cancellation has been given to City by certified or registered mail, postage prepaid.

12.1.4 **Adequacy.** The City, its officers, employees and agents make no representation that the types or limits of insurance specified to be carried by Consultant pursuant to this Agreement are adequate to protect Consultant. If Consultant believes that any required insurance coverage is inadequate, Consultant will obtain such additional insurance coverage as Consultant deems adequate, at Consultant's sole expense.

12.2 **Workers' Compensation Insurance.** By executing this Agreement, Consultant certifies that Consultant is aware of and will comply with Section 3700 of the Labor Code of the State of California requiring every employer to be insured against liability for workers' compensation, or to undertake self-insurance before commencing any of the work. Consultant shall carry the insurance or provide for self-insurance required by California law to protect said Consultant from claims under the Workers' Compensation Act. Prior to City's execution of this Agreement, Consultant shall file with City either 1) a certificate of insurance showing that such insurance is in effect, or that Consultant is self-insured for such coverage, or 2) a certified statement that Consultant has no employees, and acknowledging that if Consultant does employ any person, the necessary certificate of insurance will immediately be filed with City. Any certificate filed with City shall provide that City will be given ten (10) days' prior written notice before modification or cancellation thereof.

12.3 **Commercial General Liability and Automobile Insurance.** Prior to City's execution of this Agreement, Consultant shall obtain, and shall thereafter maintain during the term of this Agreement, commercial general liability insurance and automobile liability insurance as required to insure Consultant against damages for personal injury, including accidental death, as well as from claims for property damage, which may arise from or which may concern operations by anyone directly or indirectly employed by, connected with, or acting for or on behalf of Consultant. The City, and its officers, employees and agents, shall be named as additional insureds under the Consultant's insurance policies.

12.3.1 Consultant's commercial general liability insurance policy shall cover both bodily injury (including death) and property damage (including, but not limited to, premises operations liability, products-completed operations liability, independent contractor's liability, personal injury liability, and contractual liability) in an amount not less than \$1,000,000 per occurrence and a general aggregate limit in the amount of not less than \$2,000,000.

12.3.2 Consultant's automobile liability policy shall cover both bodily injury and property damage in an amount not less than \$1,000,000 per occurrence and an aggregate limit of not less than \$1,000,000. All of Consultant's automobile and/or commercial general liability insurance policies shall cover all vehicles used in connection with Consultant's performance of this Agreement, which vehicles shall include, but are not limited to, Consultant owned vehicles, Consultant leased vehicles, Consultant's employee vehicles, non-Consultant owned vehicles and hired vehicles.

12.3.3 Prior to City's execution of this Agreement, copies of insurance policies or original certificates along with additional insured endorsements acceptable to the City evidencing the coverage required by this Agreement, for both commercial general and automobile liability insurance, shall be filed with City and shall include the City and its officers, employees and agents, as additional insureds. Said policies shall be in the usual form of commercial general and automobile liability insurance policies, but shall include the following provisions:

It is agreed that the City of Riverside, and its officers, employees and agents, are added as additional insureds under this policy, solely for work done by and on behalf of the named insured for the City of Riverside.

12.3.4 The insurance policy or policies shall also comply with the following provisions:

- a. The policy shall be endorsed to waive any right of subrogation against the City and its sub-consultants, employees, officers and agents for services performed under this Agreement.
- b. If the policy is written on a claims-made basis, the certificate should so specify and the policy must continue in force for one year after completion of the services. The retroactive date of coverage must also be listed.
- c. The policy shall specify that the insurance provided by Consultant will be considered primary and not contributory to any other insurance available to the City and Endorsement No. CG 20010413 shall be provided to the City.

12.4 **Errors and Omissions Insurance.** Prior to City's execution of this Agreement, Consultant shall obtain, and shall thereafter maintain during the term of this Agreement, errors and omissions professional liability insurance in the minimum amount of \$1,000,000 to protect the City from claims resulting from the Consultant's activities.

12.5 **Subcontractors' Insurance.** Consultant shall require all of its subcontractors to carry insurance, in an amount sufficient to cover the risk of injury, damage or loss that may be caused by the subcontractors' scope of work and activities provided in furtherance of this Agreement, including, but without limitation, the following coverages: Workers Compensation, Commercial General Liability, Errors and Omissions, and Automobile liability.

Upon City's request, Consultant shall provide City with satisfactory evidence that Subcontractors have obtained insurance policies and coverages required by this section.

13. **Business Tax.** Consultant understands that the Services performed under this Agreement constitutes doing business in the City of Riverside, and Consultant agrees that Consultant will register for and pay a business tax pursuant to Chapter 5.04 of the Riverside Municipal Code and keep such tax certificate current during the term of this Agreement.

14. **Time of Essence.** Time is of the essence for each and every provision of this Agreement.

15. **City's Right to Employ Other Consultants.** City reserves the right to employ other Consultants in connection with the Project. If the City is required to employ another consultant to complete Consultant's work, due to the failure of the Consultant to perform, or due to the breach of any of the provisions of this Agreement, the City reserves the right to seek reimbursement from Consultant.

16. **Accounting Records.** Consultant shall maintain complete and accurate records with respect to costs incurred under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of City during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

17. **Confidentiality.** All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other materials either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant, except as otherwise directed by City's Contract Administrator. Nothing furnished to Consultant which is otherwise known to the Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use City's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production, website, or other similar medium without the prior written consent of the City.

18. **Ownership of Documents.** All reports, maps, drawings and other contract deliverables prepared under this Agreement by Consultant shall be and remain the property of City. Consultant shall not release to others information furnished by City without prior express written approval of City.

19. **Copyrights.** Consultant agrees that any work prepared for City which is eligible for copyright protection in the United States or elsewhere shall be a work made for hire. If any such work is deemed for any reason not to be a work made for hire, Consultant assigns all right, title and interest in the copyright in such work, and all extensions and renewals thereof, to City, and agrees to provide all assistance reasonably requested by City in the establishment, preservation and enforcement of its copyright in such work, such assistance to be provided at City's expense

but without any additional compensation to Consultant. Consultant agrees to waive all moral rights relating to the work developed or produced, including without limitation any and all rights of identification of authorship and any and all rights of approval, restriction or limitation on use or subsequent modifications.

20. **Conflict of Interest.** Consultant, for itself and on behalf of the individuals listed in Exhibit “C,” represents and warrants that by the execution of this Agreement, they have no interest, present or contemplated, in the Project affected by the above-described Services. Consultant further warrants that neither Consultant, nor the individuals listed in Exhibit “C” have any real property, business interests or income interests that will be affected by this project or, alternatively, that Consultant will file with the City an affidavit disclosing any such interest.

21. **Solicitation.** Consultant warrants that Consultant has not employed or retained any person or agency to solicit or secure this Agreement, nor has it entered into any agreement or understanding for a commission, percentage, brokerage, or contingent fee to be paid to secure this Agreement. For breach of this warranty, City shall have the right to terminate this Agreement without liability and pay Consultant only for the value of work Consultant has actually performed, or, in its sole discretion, to deduct from the Agreement price or otherwise recover from Consultant the full amount of such commission, percentage, brokerage or commission fee. The remedies specified in this section shall be in addition to and not in lieu of those remedies otherwise specified in this Agreement.

22. **General Compliance With Laws.** Consultant shall keep fully informed of federal, state and local laws and ordinances and regulations which in any manner affect those employed by Consultant, or in any way affect the performance of services by Consultant pursuant to this Agreement. Consultant shall at all times observe and comply with all such laws, ordinances and regulations, and shall be solely responsible for any failure to comply with all applicable laws, ordinances and regulations. Consultant represents and warrants that Consultant has obtained all necessary licenses to perform the Scope of Services and that such licenses are in good standing. Consultant further represents and warrants that the services provided herein shall conform to all ordinances, policies and practices of the City of Riverside.

23. **Waiver.** No action or failure to act by the City shall constitute a waiver of any right or duty afforded City under this Agreement, nor shall any such action or failure to act constitute approval of or acquiescence in any breach thereunder, except as may be specifically, provided in this Agreement or as may be otherwise agreed in writing.

24. **Amendments.** This Agreement may be modified or amended only by a written agreement and/or change order executed by the Consultant and City.

25. **Termination.** City, by notifying Consultant in writing, shall have the right to terminate any or all of Consultant’s services and work covered by this Agreement at any time. In the event of such termination, Consultant may submit Consultant’s final written statement of the amount of Consultant’s services as of the date of such termination based upon the ratio that the work completed bears to the total work required to make the report complete, subject to the City’s rights under Sections 15 and 26 hereof. In ascertaining the work actually rendered through the

termination date, City shall consider completed work, work in progress and complete and incomplete reports and other documents only after delivered to City.

25.1 Other than as stated below, City shall give Consultant thirty (30) days' prior written notice prior to termination.

25.2 City may terminate this Agreement upon fifteen (15) days' written notice to Consultant, in the event:

25.2.1 Consultant substantially fails to perform or materially breaches the Agreement; or

25.2.2 City decides to abandon or postpone the Project.

26. **Offsets.** Consultant acknowledges and agrees that with respect to any business tax or penalties thereon, utility charges, invoiced fee or other debt which Consultant owes or may owe to the City, City reserves the right to withhold and offset said amounts from payments or refunds or reimbursements owed by City to Consultant. Notice of such withholding and offset, shall promptly be given to Consultant by City in writing. In the event of a dispute as to the amount owed or whether such amount is owed to the City, City will hold such disputed amount until either the appropriate appeal process has been completed or until the dispute has been resolved.

27. **Successors and Assigns.** This Agreement shall be binding upon City and its successors and assigns, and upon Consultant and its permitted successors and assigns, and shall not be assigned by Consultant, either in whole or in part, except as otherwise provided in paragraph 9 of this Agreement.

28. **Venue.** Any action at law or in equity brought by either of the parties hereto for the purpose of enforcing a right or rights provided for by this Agreement shall be tried in the Superior Court, County of Riverside, State of California, and the parties hereby waive all provisions of law providing for a change of venue in such proceedings to any other county. In the event either party hereto shall bring suit to enforce any term of this Agreement or to recover any damages for and on account of the breach of any term or condition of this Agreement, it is mutually agreed that each party will bear their own attorney's fees and costs.

29. **Nondiscrimination.** During Consultant's performance of this Agreement, Consultant shall not discriminate on the grounds of race, religious creed, color, national origin, ancestry, age, physical disability, mental disability, medical condition, including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, sex, genetic information, gender, gender identity, gender expression, or sexual orientation, military and veteran status, in the selection and retention of employees and subcontractors and the procurement of materials and equipment, except as provided in Section 12940 of the California Government Code. Further, Consultant agrees to conform to the requirements of the Americans with Disabilities Act in the performance of this Agreement.

30. **Severability.** Each provision, term, condition, covenant and/or restriction, in whole and in part, of this Agreement shall be considered severable. In the event any provision, term, condition, covenant and/or restriction, in whole and/or in part, of this Agreement is declared

invalid, unconstitutional, or void for any reason, such provision or part thereof shall be severed from this Agreement and shall not affect any other provision, term, condition, covenant and/or restriction of this Agreement, and the remainder of the Agreement shall continue in full force and effect.

31. **Authority.** The individuals executing this Agreement and the instruments referenced herein on behalf of Consultant each represent and warrant that they have the legal power, right and actual authority to bind Consultant to the terms and conditions hereof and thereof.

32. **Entire Agreement.** This Agreement constitutes the final, complete, and exclusive statement of the terms of the agreement between the parties pertaining to the subject matter of this Agreement and supersedes all prior and contemporaneous understandings or agreements of the parties. Neither party has been induced to enter into this Agreement by and neither party is relying on, any representation or warranty outside those expressly set forth in this Agreement.

33. **Digital and Counterpart Signatures.** Each party to this Agreement intends and agrees to the use of digital signatures that meet the requirements of the California Uniform Electronic Transactions Act (Civil Code §§ 1633.1, et seq.), California Government Code § 16.5, and California Code of Regulations Title 2 Division 7 Chapter 10, to execute this Agreement. The parties further agree that the digital signatures of the parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures for purposes of validity, enforceability, and admissibility. For purposes of this section, a “digital signature” is defined in subdivision (d) of Section 16.5 of the Government Code and is a type of “electronic signature” as defined in subdivision (h) of Section 1633.2 of the Civil Code. This Agreement may be executed in any number of counterparts, each of which will be an original, but all of which together will constitute one instrument. Each certified or authenticated electronic copy of an encrypted digital signature shall be deemed a duplicate original, constituting one and the same instrument and shall be binding on the parties hereto.

34. **Interpretation.** City and Consultant acknowledge and agree that this Agreement is the product of mutual arms-length negotiations and accordingly, the rule of construction, which provides that the ambiguities in a document shall be construed against the drafter of that document, shall have no application to the interpretation and enforcement of this Agreement.

34.1 Titles and captions are for convenience of reference only and do not define, describe or limit the scope or the intent of the Agreement or any of its terms. Reference to section numbers, are to sections in the Agreement unless expressly stated otherwise.

34.2 This Agreement shall be governed by and construed in accordance with the laws of the State of California in effect at the time of the execution of this Agreement.

34.3 In the event of a conflict between the body of this Agreement and Exhibit “A” - Scope of Services hereto, the terms contained in Exhibit “A” shall be controlling.

35. **Exhibits.** The following exhibits attached hereto are incorporated herein to this Agreement by this reference:

Exhibit "A" - Scope of Services

Exhibit "B" - Compensation

Exhibit "C" - Key Personnel

[SIGNATURES ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, City and Consultant have caused this Agreement to be duly executed the day and year first above written.

CITY OF RIVERSIDE, a California charter city and municipal corporation

CLIFTONLARSONALLEN LLP, a Minnesota limited liability partnership authorized to do business in California

By: _____
City Manager

By: Daphnie Munoz
Daphnie Munoz (Mar 27, 2024 15:28 PDT)
Print Name: Daphnie Munoz
Title: Principal

Attest: _____
City Clerk

and

By: _____
Print Name: _____
Title: _____

Certified as to Availability of Funds:

By: Kiothlu
Chief Financial Officer

Approved as to Form:

By: Brandon Mercer
Brandon Mercer (Mar 27, 2024 16:06 PDT)
Senior Deputy City Attorney

EXHIBIT "A"

SCOPE OF SERVICES

Financial auditing shall be performed in accordance with:

1. Generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants;
2. The standards applicable to financial audits contained in Government Auditing Standards (current edition), issued by the Comptroller General of the United States;
3. The provisions of the Single Audit Act (current version at the time of the audit);
4. The audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards (Uniform Guidance);
5. When applicable, provisions of the American Recovery and Reinvestment Act; and

The foregoing standards ensure that the audit will be planned and performed to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. The audit shall include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The audit shall also include assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation.

A. Reports to be Issued

Upon completion of the audit for each fiscal year the auditor shall issue the following reports:

1. An audit opinion on the fair presentation of the City's financial statements (ACFR) in conformity with generally accepted accounting principles.
2. An audit opinion on the fair presentation of the financial statements of the Successor Agency to the Redevelopment Agency of the City of Riverside in conformity with generally accepted accounting principles.
3. All reports required for compliance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in the Governmental Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards (Uniform Guidance).
4. The required communications associated with the Southern California Air Quality Management District rules.

5. A report of Agreed-Upon Procedures relative to the City's calculation of its Appropriation Limit in accordance with the *Article XIII B Appropriations Limit Uniform Guidelines* and as mandated by the California Constitution.
6. An audit opinion for the Riverside Public Financing Authority.
7. An audit opinion for the Riverside Public Utilities Electric and Water Fund component unit statements.
8. A report of Agreed-Upon Procedures issued relative to the guidelines provided by the State Department of Transportation to recipients of funds through the State-Local Transportation Partnership Program. Please note, for past several fiscal years this report has not been required since funding amounts were under the required threshold.
9. An audit opinion on the fair presentation of the Riverside Mission Square Building in conformity with generally accepted accounting principles.

In the required reports on compliance and internal controls, the auditor shall communicate any significant deficiencies found during the audit. A significant deficiency shall be defined as a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. Significant deficiencies that are also material weaknesses shall also be identified as such in the report.

Other matters, for example deficiencies that are not significant deficiencies or material weaknesses discovered by the auditor shall be reported in a separate letter to management, which shall be referred to in the reports on compliance and internal controls.

The reports on compliance and internal control shall include all material instances of noncompliance. All nonmaterial instances of noncompliance shall be reported in a separate management letter, which shall be referred to in the report on compliance.

Irregularities and illegal acts: Auditors shall be required to make an immediate, *written* report of all irregularities and illegal acts or indications of illegal acts of which they become aware to Edward Enriquez, Chief Financial Officer /Treasurer and to the Chair of the City of Riverside Financial Performance and Budget Committee.

The City of Riverside Financial Performance and Budget Committee is a subcommittee of the City Council, which also serves as the City's Audit Committee. Auditors shall communicate to the City's Audit Committee all communications as required by SAS 114.

B. Special Considerations

1. The City of Riverside will send its ACFR to the Government Finance Officers Association for review in their certificate award program. It is anticipated that the auditor will perform their procedures with a level of review designed to help assure that the City will meet the requirements and time deadline of this program.
2. The City routinely prepares one or more official statements in connection with the sale of debt securities, which will contain the financial statements and the auditor's report thereon. The auditor shall be required at no additional cost, if requested by the fiscal advisor and/or the underwriter, to issue a "consent and citation of expertise" as the auditor and any necessary "comfort letters."
3. The schedule of expenditures of federal awards and related auditor's reports are to be issued separately from the ACFR.

C. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years, unless the Company is notified in writing by the City of the need to extend the retention period. The auditor may be required to make working papers available, upon request, to parties specifically designated by the City as reasonable.

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

- D. It is expected that the selected Company will keep the City informed of new state and national developments affecting municipal finance and reporting, standards and trends including changes in federal/state grant program accounting and reporting requirements. This shall include at least one formal updating session per year with financial/accounting staff.
- F. **The scope of the audit must also include consulting time up to 40 hours per year on subjects that could affect financial reports such as reviewing official statements for bond sales or answering payroll taxation issues, (this is in addition to consultations on matters directly relating to the audit and reports), assistance with preparing journal entries and note disclosures related to new Government Accounting Standards Board (GASB) pronouncements.**

G. Fund Structure

The City of Riverside uses the following fund types:

Fund Type	Number of Individual Funds	Number with Legally Adopted Budgets
General Fund	1	1
Special Revenue Funds	8	8
Debt Service Funds	1	1
Capital Projects Funds	4	4
Permanent Funds	1	0
Enterprise Funds	8	8
Internal Service Funds	3	3
Custodial Funds	1	0
Private-Purpose Trust Funds	1	1

H. Budgetary Basis of Accounting

The City prepares its budget on a basis consistent with generally accepted accounting principles, however, Capital Project Funds are budgeted on a project length basis.

I. Component Units

The City's reporting entity includes component units, which are legally separate entities for which the City is financially accountable. The management of the City identified the following component units for inclusion within the City's reporting entity. All component units have a June 30 fiscal year end:

Riverside Housing Authority
Riverside Public Financing Authority
Riverside Municipal Improvements Corporation
Successor Agency to the Redevelopment Agency of the City of Riverside

As previously noted, the Successor Agency, Financing Authority, Water and Electric Enterprise Funds, and Mission Square Building require separate audit reports.

J. Magnitude of Finance Operations

The Finance Department is headed by Edward Enriquez, Interim Assistant City Manager/Chief Financial Officer/Treasurer and consists of 55 employees.

Other City departments have additional accounting staff that assist Finance but are not under its supervision.

K. Internal Audit Function

The City is currently in the process of re-establishing an internal audit function which will report to the City Manager and will be staffed by two (2) employees.

L. Availability of Prior Audit Reports and Working Papers

Lance, Soll & Lunghard, LLP of Brea, California completed the most recent audit for the fiscal year ended June 30, 2022. The City's Annual Comprehensive Financial Reports for the past 10 years can be obtained online at the City's website at: <https://riversideca.gov/finance/acfr/>. Previously issued Financial Reports for the Water and Electric Enterprise Funds can be obtained online at the City's website at: <https://riversideca.gov/utilities/about-rpu/reports-finances>.

The City will use its best efforts to make prior audit reports and supporting working papers available to Companies to aid in their response to this request for proposal.

M. Prior Year Audit Fee and Audit Hours

The audit fee for the audit of the City's financial statements for the year ended June 30, 2022 was \$193,775. Lance, Soll & Lunghard, LLP has indicated that 1,092 professional hours were expended to perform the audit for that fiscal year.

N. Schedule for the June 30, 2024 fiscal year audit.

The auditor should complete each of the following no later than the dates indicated.

1. Interim Work

The auditor shall be expected to complete interim audit work. The City prefers this work be completed during the May or June time frame which should include preliminary Single Audit testing which can then be finalized during year-end fieldwork, as needed.

2. Detailed Audit Plan

The auditor shall provide City of Riverside with a detailed audit plan and a list of all schedules to be prepared by the City of Riverside for both interim and year-end audit work.

3. Fieldwork

Year-end fieldwork should commence during the first week of September. The auditor should complete all fieldwork during the first week of October. Draft financial statements will be provided to the auditors during the first week of October for their review. The auditors should complete their review

of the final draft financial statements by no later than October 31.

4. Final Reports

The auditor shall issue the ACFR audit opinion and all other reports due under this proposal by **October 31st**.

O. Entrance Conferences, Progress Reporting and Exit Conferences.

At a minimum, the following conferences should be held:

Entrance conference with all key Finance department personnel at the beginning of interim work and year-end work.

During the preliminary stage of the audit, the auditor should meet with the Chair of the Financial Performance and Budget Committee to discuss the planned scope and timing of the audit.

Progress reporting with Controller and others on a weekly basis.

Exit conference at conclusion of audit with all key Finance department personnel.

Subsequent meetings to present audit and related reports to the Financial Performance and Budget Committee and the City Council. Auditor is expected to make a presentation to the Financial Performance and Budget Committee in its capacity as the Audit Committee.

ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

A Finance Department and Clerical Assistance

The Finance Department staff and responsible management personnel will be available during the audit to assist the Company by providing information, documentation and explanations. The preparation of confirmations will be the responsibility of City.

B. Electronic Data Processing (EDP) Assistance

City personnel will be available to provide systems documentation and explanations. The auditor can be provided inquiry access to the City's finance system to expedite their auditing procedures.

C. Statements and Schedules to be Prepared by City Staff

City staff will prepare reasonably required statements and schedules for the auditor. Sample formats of each work paper must be submitted. Auditors are expected to

use existing reports to the extent possible.

D. The anticipated support requirements of City staff showing personnel class and hours expected should also be included in the proposal.

E. Report Preparation

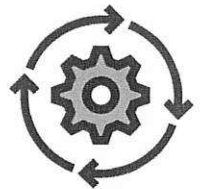
Report preparation and printing for the ACFR, Successor Agency, Financing Authority and the Public Utilities statements shall be the responsibility of the City. The auditor will be expected to produce all other required reports.

City of Pico Rivera	
Scope of Work	City audit, electric and water utility funds audit, successor agency audit, single audit, SCO report
Date	2014 – Present
Engagement Principals	Daphnie Munoz
Total Hours	450
Principal Client Contact Telephone	Jane Guo 562-801-4336 jguo@pico-rivera.org

6. Specific audit approach

Methodology

Many organizations view an audit as a requirement that doesn't contribute to their overall operations or value. At CLA, we believe an audit should be an annual check-up that gives you insight into your organization, allowing you to take advantage of opportunities and improve your operations.



Our industry experience makes it easier — CLA auditors are industry aligned, making our audit process fast and smooth. We focus on operational efficiency and leverage our industry experience to bring you meaningful insights that go beyond compliance requirements. A dedicated team of professionals will listen to your goals and concerns, then work with you to navigate industry pressures, changing markets, and complex standards, all with a common goal to drive your organization toward success.

Your time has value — Your day is filled with competing priorities and constant distractions. We elevate your experience by using a variety of communication tools, such as a web-based document portal, video conferencing, email, and phone calls, to keep everyone informed and on track. These tools provide flexibility to choose where and how your audit is performed. In contrast to a traditional engagement, where a team spends weeks on site at your location, our Seamless Assurance Advantage focuses on having the right team members on your engagement and isn't dependent on physical locations.

No surprises — We will provide the City with a no-surprises approach to our services, based on frequent and timely communication and clarity around roles and expectations. If issues arise during your audit, we engage the right people in a frank discussion to resolve them.

Significant involvement of principals and managers — Our principals and managers are directly involved in your engagement and can proactively identify significant issues and resolve them with management. Your time is best spent with key decision makers so you can ask clarifying questions, discuss organizational strategies, and navigate sensitive reporting issues.

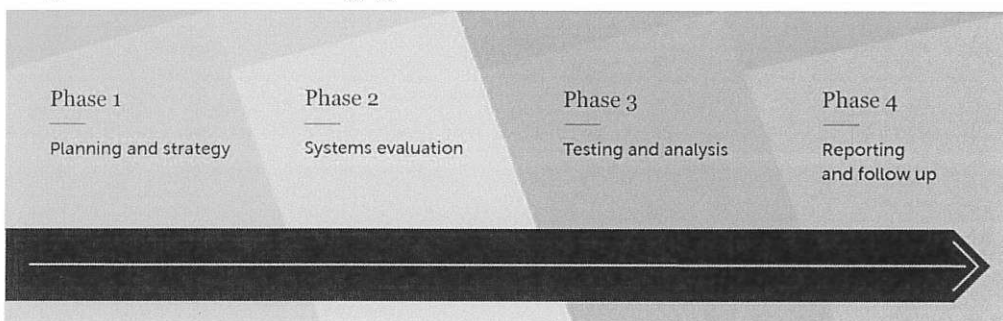
We tailor the audit just for you — While our audit programs provide typical approaches for given audit areas, CLA designs a client-specific, risk-based audit approach for each client. We use custom, industry-tailored programs, procedures, and tools designed specifically to focus on applicable issues.

You'll learn about what we're doing and what we've found in plain, everyday language — By working closely with your staff, CLA continuously learns about your organization. This involvement enables us to offer recommendations for improvements in your systems and procedures that are more comprehensive, better understood, and more frequently implemented.

When performing an audit, we are sensitive and understanding of the fact that we report to those charged with governance. We maintain objectivity and independence to be able to issue our audit opinions. We will act within our philosophy of total client service, maintain the professional relationship refined with management, and fulfill our responsibilities with the utmost professionalism.

Year-long support — We encourage your staff to take advantage of our accessibility throughout the year for questions that may arise. Our people can provide proactive advice on new accounting or GAAP pronouncements and their potential impact; help with immediate problems, including answers to brief routine questions; and share insights and leading practices to assist in planning for your future success.

a. Proposed segmentation of the engagement



Phase 1: Planning and strategy

The main objective of the planning phase is to identify significant areas and design efficient audit procedures.

- Conduct an entrance meeting. Daphnie Munoz, CPA and staff will meet with the City personnel to agree on an outline of responsibilities and time frames
 - Establish audit approach and timing schedule
 - Determine assistance to be provided by the City personnel
 - Discuss application of generally accepted accounting principles
 - Address initial audit concerns
 - Establish report parameters and timetables
 - Progress reporting process
 - Establish principal contacts
- Gain an understanding of your operations, including any changes in organization, management style, and internal and external factors influencing the operating environment
- Identify significant accounts and accounting applications, critical audit areas, significant provisions of laws and regulations, and relevant controls over operations
- Determine the likelihood of effective Information Systems (IS) - related controls
- Perform a preliminary overall risk assessment
- Confirm protocol for meeting with and requesting information from relevant staff
- Establish a timetable for the fieldwork phase of the audit
- Determine a protocol for using TeamMate Analytics and Expert Analyzer (TeamMate), our data extraction and analysis software, to facilitate timely receipt and analysis of reports from management
- Compile an initial comprehensive list of items to be prepared by the City, and establish deadlines

We will document our planning through:

- **Entity profile** — This profile will help us understand the City's activities, organizational structure, services, management, key employees, and regulatory requirements.
- **Preliminary analytical procedures** — These procedures will assist in planning the nature, timing, and extent of auditing procedures that will be used to obtain evidential matter. They will focus on enhancing our understanding of the financial results and will be used to identify any significant transactions and events that have occurred since the last audit date, as well as to identify any areas that may represent specific risks relevant to the audit.
- **General risk analysis** — This will contain our overall audit plan, including materiality calculations, fraud risk assessments, overall audit risk assessments, effects of our IS assessment, timing, staffing, client assistance, a listing of significant provisions of laws and regulations, and other key planning considerations.
- **Account risk analysis** — This document will contain the audit plan for the financial statements, including risk assessment and the extent and nature of testing by assertion.
- **Prepared by client listing** — This document will contain a listing of schedules and reports to be prepared by the City personnel with due dates for each item.
- **Assurance Information Exchange (AIE)** — CLA uses a secure web-based application to request and obtain documents. This application allows clients to view detailed information, including due dates for all items CLA is requesting. Clients can attach electronic files and add commentary directly on the application.

A key element in planning this audit engagement will be the heavy involvement of principals and managers. We will clearly communicate any issues in a timely manner and will be in constant contact as to what we are finding and where we expect it will lead.

Using the information we have gathered, and the risks identified, we will produce an audit program specifically tailored to the City that will detail the nature and types of tests to be performed. We view our programs as living documents, subject to change as conditions warrant.

Phase 2: Systems evaluation

We will gain an understanding of the internal control structure of the City for financial accounting and relevant operations. Next, we will identify control objectives for each type of control material to the financial statements, and then identify and gain an understanding of the relevant control policies and procedures that effectively achieve the control objectives. Finally, we will determine the nature, timing, and extent of our control testing and perform tests of controls. This phase of the audit will include testing of certain key internal controls:

- Electronic data, including general and application controls reviews and various user controls
- Financial reporting and compliance with laws and regulations

We will test controls over certain key cycles, not only to gather evidence about the existence and effectiveness of internal control for purposes of assessing control risk, but also to gather evidence about the reasonableness of an account balance. Our use of multi-purpose tests allows us to provide a more efficient audit without sacrificing quality.



Our assessment of internal controls will determine whether the City has established and maintained internal controls to provide reasonable assurance that the following objectives are met:

- Transactions are properly recorded, processed, and summarized to permit the preparation of reliable financial statements and to maintain accountability over assets
- Assets are safeguarded against loss from unauthorized acquisition, use, or disposition
- Transactions are executed in accordance with laws and regulations that could have a direct and material effect on the financial statements

We will finalize our audit programs during this phase. We will also provide an updated prepared by client listing based on our test results and anticipated substantive testing.

During the internal control phase, we will also perform a review of general and application IS controls for applications significant to financial statements to conclude whether IS general controls are properly designed and operating effectively.

Based on our preliminary review, we will perform an initial risk assessment of each critical element in each general control category, as well as an overall assessment of each control category. We will then assess the significant computer-related controls.

For IS-related controls we deem to be ineffectively designed or not operating as intended, we will gather sufficient evidence to support findings and will provide recommendations for improvement. For IS controls we deem to be effectively designed, we will perform testing to determine if they are operating as intended through a combination of procedures, including observation, inquiry, inspection, and re-performance.

Phase 3: Testing and analysis

The extent of our substantive testing will be based on results of our internal control tests. Audit sampling will be used only in those situations where it is the most effective method of testing.

After identifying individually significant or unusual items, we will decide the audit approach for the remaining balance of items by considering tolerable error and audit risk. This may include (1) testing a sample of the remaining balance; (2) lowering the previously determined threshold for individually significant items to increase the percent of coverage of the account balance; or (3) applying analytical procedures to the remaining balance. When we elect to sample balances, we will use TeamMate to efficiently control and select our samples.

Our workpapers during this phase will clearly document our work as outlined in our audit programs. We will provide the City with status reports and be in constant communication with the City to determine that all identified issues are resolved in a timely manner. We will hold a final exit conference with the City to summarize the results of our fieldwork and review significant findings.

Phase 4: Reporting and follow up

Reports to management will include oral and/or written reports regarding:

- Independent Auditors' Report for City, Successor Agency, Public Financing Authority and Riverside Public Utilities Electric and Water Fund
- Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards
- Agreed-upon procedures report on the calculation of the City's GANN Appropriations Limit (GANN), as required by Section 1.5 of Article XIII B of the California Constitution
- Independent Auditors' Report on compliance with Southern California Air Quality Management District funds received
- Management Letter
- Written Communication to Those Charged with Governance, which includes the following areas:
 - Our responsibility under auditing standards generally accepted in the United States of America
 - Changes in significant accounting policies or their application
 - Unusual transactions
 - Management judgments and accounting estimates
 - Significant audit adjustments
 - Other information in documents containing the audited financial statements
 - Disagreements with the City
 - the City's consultations with other accountants
 - Major issues discussed with management prior to retention
 - Difficulties encountered in performing the audit
 - Fraud or illegal acts

Once the final reviews of working papers and financial statements are completed, our opinion, the financial statements, and management letter will be issued.

The City will be given a draft of any comments we propose to include in the management letter. Items not considered major may be discussed verbally with management instead of in the management letter. Our management letter will include items noted during our analysis of your operations.

We will make a formal presentation of the audit results to those charged with governance, if requested.

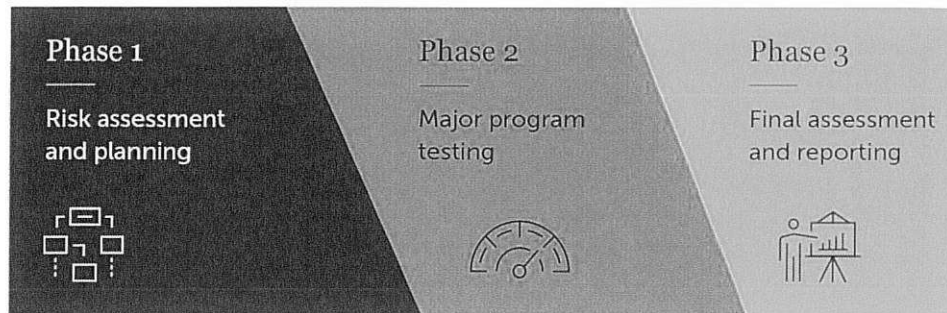
Single audit approach

The OMB's *Uniform Guidance* (2 CFR Part 200) is effective for federal grants made on or after December 26, 2014. This affects how federal grants are managed and audited and impacts every organization that receives federal assistance. Grant compliance can be a confusing topic and many of our clients rely on their federal funding as a major revenue source, so it is important that they understand what these changes mean to their organization. As a leader in the industry, CLA was out in front of these changes and informed our clients of how to be proactive about these changes and how they could impact their entity. CLA professionals are available to provide guidance and tools tailored to the City's needs, and to assist in compliance with these rules.

The AICPA clarified auditing standard, AU-C 935 "Compliance Audits," requires risk-based concepts to be used in all compliance audits including those performed in accordance with 2 CFR Part 200. Our risk-based approach incorporates this guidance.



We will conduct our single audit in three primary phases, as shown, below:



Phase 1: Risk assessment and planning

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

We will accomplish this by following the methodology below:

- Determine the threshold to distinguish between Type A and B programs, including the effect of any loans and loan programs
- Utilizing the preliminary Schedule of Expenditure of Federal Awards, we will identify the Type A and significant Type B programs (25% of Type A threshold) in accordance with the Uniform Guidance
- Identify the programs tested and the findings reported for the past two fiscal years. Determine and document the program risk based on the past two single audits
- Prepare and distribute Type B program questionnaires to determine risk associated with Type B programs
- Determine the major programs to be tested for the current fiscal year based on the previous steps
- Based on our determination of the major programs, we will obtain the current year compliance supplement to aid in the determination of direct and material compliance requirements, and customize the audit program accordingly
- Determine the preferred methods of communication during the audit

Phase 2: Major program testing

We will determine the programs to be audited based on the risk assessment performed in the planning phase. We will perform the audit of the programs in accordance with *UG*.

To accomplish this, we will perform the following:

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

Phase 3: Final assessment and reporting

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

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

- Identify Type A and significant Type B programs which were not previously identified
- Re-assess the risk and determine if we are required to audit additional programs
- Perform compliance testing at the entity wide level related to procurement and cash management requirements
- Perform testing to validate the status of prior year findings for those programs not selected for audit
- Prepare the Schedule of Findings and Questioned Costs
- Conduct exit conference with the City's management to review drafts of required reports:
- Issue an Independent Auditors' Report on Internal Control over financial reporting and on compliance and other matters based on an audit of Financial Statements Performed in accordance with Government Auditing Standards
- Issue an Independent Auditor's Report on Compliance for Each Major Federal Program, Report on Internal Control Over Compliance, and Report on the Schedule of Expenditures of Federal Awards Required by the *Uniform Guidance*

Throughout the single audit, we will maintain communication through periodic progress meetings with those designated by the City. These meetings will be on a set schedule, but as frequently as the City determines. During these meetings, we will discuss progress impediments and findings as they arise.

EXHIBIT "B"
COMPENSATION

h. Pricing

Our fees are based on the timely delivery of services provided, the experience of personnel assigned to the engagement, and our commitment to meeting your deadlines.

CLA understands the importance of providing our clients with value-added strategies. As part of our fee, we propose to hold routine, proactive quarterly meetings to review and discuss the impact of new accounting issues and other business issues you are facing. We'll help you decide how to handle challenges as they come up — and take advantage of every potential opportunity.

We have completed Exhibit D Schedule of Professional Fees and Expenses on the following pages.

Authorization statement

I, Daphnie Munoz, CPA, your engagement principal, will serve as the City's primary contact person for this engagement. As a principal of CLA, I am authorized to sign, bind, and commit the firm to the obligations contained in this proposal and the City's RFP. My contact information is:

Daphnie Munoz, CPA, Principal
daphnie.munoz@CLAconnect.com
Direct 714-978-1300

All-inclusive maximum price

CITY OF RIVERSIDE						
Schedule of Professional Fees and Expenses						
For the Audit of the Financial Statements						
Fiscal Years Ending June 30						
Service Description	Annual All-Inclusive Maximum Audit Cost					
	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	Total
Annual Audit of the City of Riverside's Financial Statements	\$ 102,150	\$ 107,250	\$ 112,610	\$ 118,240	\$ 124,150	\$ 564,400
Single Audit Procedures and Required Reporting (5 programs, \$5,000 per additional program)	26,250	27,560	28,940	30,390	31,910	145,050
Audit of the Successor Agency to the Former Redevelopment Agency	8,640	9,070	9,520	10,000	10,500	47,730
Audit of the Water and Electric Utility Enterprise Funds	38,430	40,350	42,370	44,490	46,710	212,350
Audit of the Riverside Public Financing Authority	6,045	6,350	6,670	7,000	7,350	33,415
Air Quality Management District Report on Compliance	2,850	2,990	3,140	3,300	3,470	15,750
GANN Appropriation	1,080	1,130	1,190	1,250	1,310	5,960
Mission Square Building	9,150	9,610	10,090	10,590	11,120	50,560
Total	\$ 194,595	\$ 204,310	\$ 214,530	\$ 225,260	\$ 236,520	\$ 1,075,215
Out of Pocket Expenses:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Meals & Lodging	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total All Inclusive Maximum Price for Audit	\$ 194,595	\$ 204,310	\$ 214,530	\$ 225,260	\$ 236,520	\$ 1,075,215
Service Description	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	Total
Agreed-Upon Procedures for the State-Local Transportation Program (if required)	\$ 3,765	\$ 3,950	\$ 4,150	\$ 4,360	\$ 4,580	\$ 20,805



Exhibit D Schedule of Professional Fees and Expenses

CITY OF RIVERSIDE
EXHIBIT D
Schedule of Professional Fees and Expenses
For the Audit of the Financial Statements
June 30, 2024

Estimated Hours												
CAFR	Single	Successor	Water &	RPFA	AQMD	GANN	Mission	Total				
	Audit	Agency	Electric							Limit	Square	
Planning and Execution of Test of Controls:												
List Title (Partner, Manager, Supervisor, Senior, Staff, etc.)												
Partner	12	2	-	4	-	-	-	-	18			
Manager	16	4	1	3	4	-	-	1	29			
Supervisor	16	8	-	4	-	-	-	-	28			
Senior #1	32	-	-	-	-	-	-	-	32			
Senior #2	-	8	4	14	4	-	-	2	32			
Staff #1	50	8	-	8	-	1	-	-	67			
Staff #2	30	-	4	-	6	-	-	-	40			
Total Planning of Interim Field Work	156	30	9	33	14	1	-	3	246			
Estimated Hours												
CAFR	Single	Successor	Water &	RPFA	AQMD	GANN	Mission	Total				
	Audit	Agency	Electric			Limit	Square					
Execution of Substantive Tests:												
List Title (Partner, Manager, Supervisor, Senior, Staff, etc.)												
Partner	31	-	-	4	-	-	-	1	36			
Manager	48	8	5	21	2	3	-	3	90			
Supervisor	48	16	-	40	-	-	-	-	104			
Senior #1	80	-	-	-	-	-	3	-	83			
Senior #2	-	48	8	34	4	-	-	16	110			
Staff #1	70	36	-	44	-	12	-	-	162			
Staff #2	25	36	16	44	8	-	-	25	154			
Total Year-End Field Work	302	144	29	187	14	15	3	45	739			
Estimated Hours												
CAFR	Single	Successor	Water &	RPFA	AQMD	GANN	Mission	Total				
	Audit	Agency	Electric			Limit	Square					
Completion:												
List Title (Partner, Manager, Supervisor, Senior, Staff, etc.)												
Partner	24	6	4	12	3	1	1	4	55			
Manager	16	4	6	6	4	1	1	6	44			
Supervisor	56	-	-	4	-	-	-	-	60			
Senior #1	58	-	-	-	-	-	1	-	59			
Senior #2	-	4	4	2	2	-	-	2	14			
Staff #1	10	1	-	2	-	2	-	-	15			
Staff #2	-	1	4	2	-	-	-	-	7			
Total Report Production/Board Presentations	164	16	18	28	9	4	3	12	254			
Estimated Hours												
ACFR	Single	Successor	Water &	RPFA	AQMD	GANN	GANN	Total	Standard	Quoted	Total	
	Audit	Agency	Electric			Limit	Limit		Hourly Rate	Hourly Rate	All-Inclusive Price	
Staff Level												
Principal	67	8	4	20	3	1	1	5	109	540	375	40,875
Manager	80	16	12	30	10	4	1	10	163	320	225	36,675
Supervisor	120	24	-	48	-	-	-	-	192	230	160	30,720
Senior #1	170	-	-	-	-	-	4	-	174	170	120	20,880
Senior #2	-	60	16	50	10	-	-	20	156	170	120	18,720
Staff #1	130	45	-	54	-	15	-	-	244	150	105	25,620
Staff #2	55	37	24	46	14	-	-	25	201	150	105	21,105
Grand Total	622	190	56	248	37	20	6	60	1,239			194,595
Out of Pocket Expenses:												
Meals & Lodging										-		
Transportation										-		
Other										-		
Total All Inclusive Maximum Price for 2023-2024 Audit										\$	194,595	

Note: The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all inclusive maximum price.

Please include estimated hours by each audit team member to understand the proposed audit group size.

**HOURS FOR ALL YEARS ARE SAME. HOURLY RATE INCREASES AT AN ANNUAL RATE OF 5%.



Terms of payment

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full.

Fee considerations

Our fees will be influenced by the following circumstances:

- The City personnel will help periodically throughout the year and during the assurance fieldwork regarding account analysis and provision of year-end account reconciliation workpapers and schedules.
- The assurance reports will be delivered in accordance with the City's deadlines.
- Satisfactory completion of our firm's normal client acceptance procedures.
- Professional standards and regulations currently in effect. We reserve the right to modify your proposed fee if professional standards or regulations change for any engagement period.
- No significant changes in the operations of the City after the date of this proposal.

Fee increase

Our fees are based on professional standards and regulations currently in effect and, barring any changes in the nature or requirements of the engagement, our annual fees will increase in accordance with the fees increase shown page 1. In addition, costs could increase due to substantial changes in your office locations, asset size, or operational structure.

Billing for phone calls and questions

It is not our policy or practice to bill our clients every time we receive a phone call or email. While providing our services, we will regularly consult regarding accounting, financial reporting, and significant business issues. If a specific project is complex or requires significant time or resources, we will discuss the scope of the project and its fee with you first.



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

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



EXHIBIT “C”

KEY PERSONNEL

Appendix

A. Engagement team resumes





Daphnie Munoz, CPA

CLA (CliftonLarsonAllen LLP)

Audit and Assurance Principal
Irvine, California

714-978-1300
daphnie.munoz@CLAconnect.com



Profile

Daphnie is an assurance principal at our CLA’s Irvine office. She has 25 years’ experience with a focus on state and local government audit and assurance services. She earned her CPA designation in 2001 and became an audit and assurance principal in 2011.

A key figure in the firm’s government audit practice, Daphnie works closely with government entities to provide attestation services, including single audits. She has extensive experience with a wide range of local government related audit engagements, including cities, successor agencies/redevelopment agencies, federal grants, special districts, compliance audits, and agreed-upon procedures engagements.

Technical experience

- Government entities, including nonprofits and special districts

Education and professional involvement

- Bachelor of science in accounting from De La Salle University, Manila
- Certified Public Accountant in the state of California
- American Institute of Certified Public Accountants (AICPA)
- California Society of Certified Public Accountants (CalCPA)
- California Society of Municipal Finance Officers (CSMFO)
- Government Finance Officers Association (GFOA)

Key relevant clients

Cities

- | | | | |
|------------|---------------|------------------------|-----------------|
| • Alhambra | • Fillmore | • Lancaster | • Santa Barbara |
| • Banning | • Glendale | • Murrieta | • Stanton |
| • Burbank | • Hesperia | • Palos Verdes Estates | • Torrance |
| • Colton | • Lake Forest | • Santa Ana | |

Special Districts

- | | |
|---|--|
| • Grossmont Healthcare District | • Rancho Santa Fe Community Services District |
| • Fairbanks Community Services District | • Valley Wide Recreation and Park District |
| • Heber Public Utilities District | • Vista Irrigation District |
| • Midway City Sanitary District | • Whispering Palms Community Services District |
| • Placentia Library District | • Yorba Linda Water District |



Continuing professional education

Daphnie attends a minimum of 20 credits annually of continuing professional education classes, including a minimum of eight credits of audit and accounting classes, resulting in 120 credits for three-year requirement. Every two years, a minimum of 24 credits of CPE specifically related to Yellow Book requirements is completed.



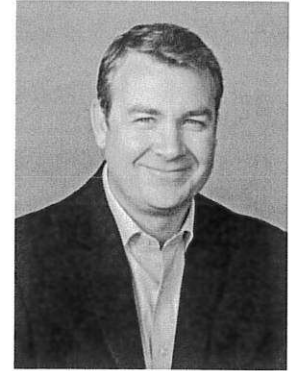


Joseph Ludin, CPA

CLA (CliftonLarsonAllen LLP)

Assurance Manager
Irvine, California

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Profile

Joe is an assurance manager at CLA's Irvine office. He has been a valued member to the team since 2009. He has performed all phases of local governmental audits including cities, successor agencies/redevelopment agencies, single audit of federal grants, special districts, and agreed-upon procedures engagements. Joe is involved with planning the audit, performing fieldwork for all aspects of the audit, supervising staff accountants, and preparation of financial statements.

Joe's knowledge lies in performing audit, assurance, and consulting for governmental agencies as well as private companies. He works with clients in a variety of industries, including, but not limited to, construction, electronics manufacturing, and staffing industries.

Technical experience

- Local government
- Nonprofits
- Special districts
- Employee benefit plans
- Private companies
- Construction
- Manufacturing and distribution

Education and professional involvement

- Bachelor of business administration and management from California Polytechnic University, San Luis Obispo
- Certified Public Accountant in the state of California
- California Society of Municipal Finance Officers (CSMFO)

Key relevant clients

Cities:

- Chino
- Covina
- Del Mar
- Irvine
- Pasadena
- Lancaster
- Newport Beach
- Orange
- Santa Barbara
- Cerritos
- Industry

Special Districts:

- El Toro Water District
- La Habra Heights County Water District
- Sunset Beach Sanitary District
- Surfside Colony Community Services District
- Surfside Colony Storm Water Protection District
- Yorba Linda Water District



Continuing professional education

Daphnie attends a minimum of 20 credits annually of continuing professional education classes, including a minimum of eight credits of audit and accounting classes, resulting in 120 credits for three-year requirement. Every two years, a minimum of 24 credits of CPE specifically related to Yellow Book requirements is completed.





Robert J. Callanan, CPA

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Principal
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Profile

Robert is an assurance principal at CLA’s Irvine office. He has more than 30 years of experience. Bob’s focus knowledge is in audit, assurance and consulting services for governmental agencies, including cities, special districts, and nonprofit organizations.

Technical experience

- Local government, including nonprofits, cities and special districts

Education and professional involvement

- Bachelor of arts in business administration from Aquinas College, Grand Rapids, Michigan
- Bachelor of science in accounting from Aquinas College, Grand Rapids, Michigan
- American Institute of Certified Public Accountants (AICPA)
- California Society of Certified Public Accountants (CalCPA)
- California Society of Municipal Finance Officers (CSMFO)
- California Governmental Accounting and Auditing Committee
- California Committee on Municipal Accounting
- Government Finance Officers Association (GFOA)

Key relevant clients

Cities:

- | | | |
|----------------------|--------------------|---------------|
| • Alhambra | • Campbell | • Chino |
| • Del Mar | • Irvine | • La Palma |
| • Monterey Park | • Newport Beach | • Norco |
| • Pasadena | • San Buenaventura | • Signal Hill |
| • Ranch Palos Verdes | • Vernon | |



Special Districts:

- Greater Los Angeles County Vector Control District
- Orange County Mosquito and Vector Control District
- Pico Rivera Water Authority
- Pomona Walnut Rowland Joint Water Line Commission
- Rowland Water District
- Southeast Water Coalition
- Sunset Beach Sanitary District
- Surfside Colony Stormwater Protection District
- Surfside Community Services District
- Sunset Beach Sanitary District
- Surfside Colony Stormwater Protection District
- Surfside Community Services District
- Ventura Port District

Continuing professional education

Robert attends a minimum of 20 credits annually of continuing professional education classes, including a minimum of eight credits of audit and accounting classes, resulting in 120 credits for three-year requirement. Every two years, a minimum of 24 credits of CPE specifically related to Yellow Book requirements is completed.





James P. Kreiser, CISA, CRMA, CFSA

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Principal, Business Risk and IT Services
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Profile

Jim is a principal in the CLA specialized advisory services group. He has 22 years of professional services experience in providing consulting and advisory services. Jim spent 10 years of his experience working at a Big 4 firm in their business risk and technical risk services groups. His experience also includes internal audit roles at CitiBank, AMP, and Capital BlueCross. Jim has held roles of chief risk officer, general auditor, and others. His focus has primarily been in the governmental sector, health care, and financial institutions. At CLA, Jim has focused on clients particularly on consulting, IT, internal audit, and third-party reporting services.

Technical experience

Jim's experience includes managing and leading projects, which include engagements related to outsourced and co-sourced internal auditing, IT audit, third-party reviews and performance audits, enterprise risk management processes, IT security and auditing services, SSAE 16 reporting (SOC 1 and SOC2), operational improvements, process solutions and implementation for those solutions across the organization. His primary focus for the firm is in the Public Sector Group (State and Local Government, Higher Education, and Non-Profit organizations).

His service experience is business risk, IT, and internal audit services. Specific experience includes, but is not limited to, the following:

- Internal audit outsourcing and co-sourcing, including information technology, financial, performance audits, and operational audits.
- IT security and risk consulting
- Enterprise-wide risk assessments.
- IIA Quality Assurance Reviews (QAR)
- Vendor management and Implementation Assessment
- Compliance related activities and benchmarking
- Presentations and Training; including speaking at various conferences/professional organizations on IT controls, Security, ERM, and third-party reporting, and risk management.



Education and professional involvement

- Bachelor of Science from Carnegie Mellon University, Pittsburgh, Pennsylvania
 - BS of Managerial Economics
 - BS of Philosophy
- Certified Information Systems Auditor
- Certified in Risk Management Assurance
- Certified Financial Services Auditor

Key relevant clients

- Maryland Transportation Authority
- Washington State Department of Transportation
- The Pennsylvania State System of Higher Education
- Commonwealth of Pennsylvania
- State of Rhode Island
- Maryland Department of Budget and Management
- West Virginia Higher Education Policy Commission
- State of Delaware
- Haverford College
- California Housing Finance Agency





Robert Perl, CPA

CLA (CliftonLarsonAllen LLP)

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Profile

Rob is an assurance manager at CLA’s Irvine office. He has more than 16 years of experience in performing audits and consultations for government agencies and non-profit organizations, including single audits. He is also well versed in data analytics and cybersecurity for finance and accounting. His diverse client base includes organizations in the non-profit, governmental, financial services, manufacturing, distribution, and agriculture industries.

Technical experience

- Local government agencies, including cities, nonprofits, and special districts
- Financial services
- Manufacturing and distribution
- Agriculture
- Data analytics
- Cybersecurity for finance and accounting

Education and professional involvement

- Bachelor of accounting from Brigham Young University, Laie, Hawaii
- American Institute of Certified Public Accountants (AICPA)
- California Society of Certified Public Accountants (CalCPA)

Key relevant clients

Cities:

- Burbank
- Lancaster
- Santa Ana
- Gilroy
- Murrieta
- Victorville

Special District:

- Monterey Peninsula Regional Park District

Continuing professional education

Daphnie attends a minimum of 20 credits annually of continuing professional education classes, including a minimum of eight credits of audit and accounting classes, resulting in 120 credits for three-year requirement. Every two years, a minimum of 24 credits of CPE specifically related to Yellow Book requirements is completed.





Amanda Eom, CPA

CLA (CliftonLarsonAllen LLP)

Senior
Phoenix, Arizona

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Profile

Amanda is an assurance senior in CLA’s state and local government team. She in-charges and has experience in the state and local government industry for four years.

Education and professional involvement

- Bachelor of arts in sociology from University of California, Irvine, California
- American Institute of Certified Public Accountants (AICPA)
- Certified Public Accountant in the states of Arizona and California

Key relevant clients

- John Wayne Airport
- City of Los Angeles
- City of San Diego
- City of Riverside
- Los Angeles County
- Orange County
- Orange County Sanitation District
- Riverside County Transportation Commission
- San Diego County
- Assiniboine and Sioux Rural Water Company
- Town of Youngtown
- Town of Wickenburg
- Arizona Power Authority
- City of Avondale
- City of Flagstaff
- City of Glendale
- City of Mesa
- City of Nogales
- City of Peoria
- City of Sedona
- Housing Authority of Maricopa County
- Pinal County

Continuing professional education

Amanda meets or exceeds her continuing education requirements. She consistently exceeds 80 hours of continuing professional education every two years and 120 hours every three years. Because she works on governmental entities, Amanda exceeds her requirements for continuing education required under Government Auditing Standards. Most of her continuing education is directly related to the clients she serves, including federal grant.

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