

**AGREEMENT
BETWEEN THE COUNTY OF SAN MATEO AND
MACIAS, GINI AND O'CONNELL, LLP**

This Agreement is entered into this 23rd day of June 2026, by and between the County of San Mateo, a political subdivision of the state of California, hereinafter called "County," and Macias, Gini and O'Connell, LLP. ("MGO"), hereinafter called "Contractor."

* * *

Whereas, pursuant to Section 31000 of the California Government Code, County may contract with independent contractors for the furnishing of such services to or for County or any Department thereof; and

Whereas, it is necessary and desirable that Contractor be retained for the purpose of providing professional financial and auditing services to the County Controller.

Now, therefore, it is agreed by the parties to this Agreement as follows:

1. Exhibits and Attachments

The following exhibits and attachments are attached to this Agreement and incorporated into this Agreement by this reference:

Exhibit A - Services

Exhibit B - Payments and Rates

2. Services to be performed by Contractor

In consideration of the payments set forth in this Agreement and in Exhibit B, Contractor shall perform services for County in accordance with the terms, conditions, and specifications set forth in this Agreement and in Exhibit A.

3. Payments

In consideration of the services provided by Contractor in accordance with all terms, conditions, and specifications set forth in this Agreement and in Exhibit A, County shall make payment to Contractor based on the rates and in the manner specified in Exhibit B. County reserves the right to withhold payment if County determines that the quantity or quality of the work performed is unacceptable. In no event shall County's total fiscal obligation under this Agreement from the term June 23, 2026 through June 22, 2029, exceed ONE MILLION FIVE HUNDRED SEVENTY-FIVE THOUSAND SEVEN HUNDRED FIFTY DOLLARS (\$1,575,750.00).

In the event the County exercises its two, one-year term renewal options, the one-year renewal through June 22, 2030 shall not exceed FIVE HUNDRED FIFTY-SEVEN THOUSAND ONE HUNDRED DOLLARS (\$557,100) and the additional one-year renewal through June 22, 2031 shall not exceed FIVE HUNDRED SEVENTY-THREE THOUSAND SEVEN HUNDRED FIFTY DOLLAR (\$573,750).

The County's total fiscal obligation under this Agreement from the term of June 23, 2026 through June 22, 2031 shall not exceed TWO MILLION SEVEN HUNDRED SIX THOUSAND SIX HUNDRED DOLLARS (\$2,706,600).

In the event that the County makes any advance payments, Contractor agrees to refund any amounts in excess of the amount owed by the County at the time of contract termination or expiration. Contractor is not entitled to payment for

work not performed as required by this agreement.

4. Term

Subject to compliance with all terms and conditions, the initial term of this Agreement shall be from June 23, 2026, through June 22, 2029. This Agreement includes two one-year renewal options exercisable at the sole discretion of the County, which would extend the term through June 22, 2031. The options shall be exercisable by written notice of extension electronically to Contractor not less than 30 days prior to the expiration of the then-existing term. In the event of such exercise, this Agreement shall be deemed to be extended for the additional period pursuant to all the terms and conditions set forth herein, including without limitation with respect to the rates set forth in Exhibit B.

5. Termination

This Agreement may be terminated by Contractor or by the County Controller or his/her designee at any time without a requirement of good cause upon thirty (30) days' advance written notice to the other party. Subject to availability of funding, Contractor shall be entitled to receive payment for work/services provided prior to termination of the Agreement. Such payment shall be that prorated portion of the full payment determined by comparing the work/services actually completed to the work/services required by the Agreement.

County may terminate this Agreement or a portion of the services referenced in the Attachments and Exhibits based upon the unavailability of Federal, State, or County funds by providing written notice to Contractor as soon as is reasonably possible after County learns of said unavailability of outside funding.

County may terminate this Agreement for cause. In order to terminate for cause, County must first give Contractor notice of the alleged breach. Contractor shall have five business days after receipt of such notice to respond and a total of ten calendar days after receipt of such notice to cure the alleged breach. If Contractor fails to cure the breach within this period, County may immediately terminate this Agreement without further action. The option available in this paragraph is separate from the ability to terminate without cause with appropriate notice described above. In the event that County provides notice of an alleged breach pursuant to this section, County may, in extreme circumstances, immediately suspend performance of services and payment under this Agreement pending the resolution of the process described in this paragraph. County has sole discretion to determine what constitutes an extreme circumstance for purposes of this paragraph, and County shall use reasonable judgment in making that determination.

6. Contract Materials

At the end of this Agreement, or in the event of termination, except for Contractor's Audit Documentation as defined herein, all finished or unfinished documents, data, studies, maps, photographs, reports, and other written materials (collectively referred to as "contract materials") prepared by Contractor under this Agreement shall become the property of County and shall be promptly delivered to County. Upon termination, Contractor may make and retain a copy of such contract materials if permitted by law and County may make and retain a copy of such Audit Documentation. "Audit Documentation" shall mean all records related to the Agreement, excluding financial records that report Contractor's professional hours and expenses, that are required by professional standards or Contractor's internal policies to support the services performed under the Agreement. Examples of Audit Documentation are audit programs, analysis, memoranda, letters of confirmation and representation, extract or copies of County documents, and schedules or commentaries prepared by or obtained by Contractor. Audit Documentation may be in paper form, electronic form, or other media.

7. Relationship of Parties

Contractor agrees and understands that the work/services performed under this Agreement are performed as an independent contractor and not as an employee of County and that neither Contractor nor its employees acquire any of the rights, privileges, powers, or advantages of County employees.

8. **Hold Harmless**

a. **General Hold Harmless**

Contractor shall indemnify and save harmless County and its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind, and description resulting from this Agreement, the performance of any work or services required of Contractor under this Agreement, or payments made pursuant to this Agreement brought for, or on account of, any of the following:

(A) injuries to or death of any person, including Contractor or its employees/officers/agents;

(B) damage to any property of any kind whatsoever and to whomsoever belonging;

(C) any sanctions, penalties, or claims of damages resulting from Contractor's failure to comply, if applicable, with the requirements set forth in the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Federal regulations promulgated thereunder, as amended; or

(D) any other loss or cost, including but not limited to that caused by the concurrent active or passive negligence of County and/or its officers, agents, employees, or servants. However, Contractor's duty to indemnify and save harmless under this Section shall not apply to injuries or damage for which County has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

The duty of Contractor to indemnify and save harmless as set forth by this Section shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

b. **Intellectual Property Indemnification**

Contractor hereby certifies that it owns, controls, and/or licenses and retains all right, title, and/or interest in and to any intellectual property it uses in relation to this Agreement, including the design, look, feel, features, source code, content, and/or other technology relating to any part of the services it provides under this Agreement and including all related patents, inventions, trademarks, and copyrights, all applications therefor, and all trade names, service marks, know how, and trade secrets (collectively referred to as "IP Rights") except as otherwise noted by this Agreement.

Contractor warrants that the services it provides under this Agreement do not infringe, violate, trespass, or constitute the unauthorized use or misappropriation of any IP Rights of any third party. Contractor shall defend, indemnify, and hold harmless County from and against all liabilities, costs, damages, losses, and expenses (including reasonable attorney fees) arising out of or related to any claim by a third party that the services provided under this Agreement infringe or violate any third-party's IP Rights provided any such right is enforceable in the United States. Contractor's duty to defend, indemnify, and hold harmless under this Section applies only provided that: (a) County notifies Contractor promptly in writing of any notice of any such third-party claim; (b) County cooperates with Contractor, at Contractor's expense, in all reasonable respects in connection with the investigation and defense of any such third-party claim; (c) Contractor retains sole control of the defense of any action on any such claim and all negotiations for its settlement or compromise (provided Contractor shall not have the right to settle any criminal action, suit, or proceeding without County's prior written consent, not to be unreasonably withheld, and provided further that any settlement permitted under this Section shall not impose any financial or other obligation on County, impair any right of County, or contain any stipulation, admission, or acknowledgement of wrongdoing on the part of County without County's prior written consent, not to be unreasonably withheld); and (d) should services under this Agreement become, or in Contractor's opinion be likely to become, the subject of such a claim, or in the event

such a third party claim or threatened claim causes County's reasonable use of the services under this Agreement to be seriously endangered or disrupted, Contractor shall, at Contractor's option and expense, either: (i) procure for County the right to continue using the services without infringement or (ii) replace or modify the services so that they become non-infringing but remain functionally equivalent.

Notwithstanding anything in this Section to the contrary, Contractor will have no obligation or liability to County under this Section to the extent any otherwise covered claim is based upon: (a) any aspects of the services under this Agreement which have been modified by or for County (other than modification performed by, or at the direction of, Contractor) in such a way as to cause the alleged infringement at issue; and/or (b) any aspects of the services under this Agreement which have been used by County in a manner prohibited by this Agreement.

The duty of Contractor to indemnify and save harmless as set forth by this Section shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

9. Assignability and Subcontracting

Contractor shall not assign this Agreement or any portion of it to a third party or subcontract with a third party to provide services required by Contractor under this Agreement without the prior written consent of County. Any such assignment or subcontract without County's prior written consent shall give County the right to automatically and immediately terminate this Agreement without penalty or advance notice.

10. Insurance

a. General Requirements

Contractor shall not commence work or be required to commence work under this Agreement unless and until all insurance required under this Section has been obtained and such insurance has been approved by County's Risk Management, and Contractor shall use diligence to obtain such insurance and to obtain such approval. Contractor shall furnish County with certificates of insurance evidencing the required coverage, and there shall be a specific contractual liability endorsement extending Contractor's coverage to include the contractual liability assumed by Contractor pursuant to this Agreement. These certificates shall specify or be endorsed to provide that thirty (30) days' notice must be given, in writing, to County of any pending change in the limits of liability or of any cancellation or modification of the policy.

b. Workers' Compensation and Employer's Liability Insurance

Contractor shall have in effect during the entire term of this Agreement workers' compensation and employer's liability insurance providing full statutory coverage. In signing this Agreement, Contractor certifies, as required by Section 1861 of the California Labor Code, that (a) it is aware of the provisions of Section 3700 of the California 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 the Labor Code, and (b) it will comply with such provisions before commencing the performance of work under this Agreement.

c. Liability Insurance

Contractor shall take out and maintain during the term of this Agreement such bodily injury liability and property damage liability insurance as shall protect Contractor and all of its employees/officers/agents while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims for property damage which may arise from Contractor's operations under this Agreement, whether such operations be by Contractor, any subcontractor, anyone directly or indirectly employed

by either of them, or an agent of either of them. Such insurance shall be combined single limit bodily injury and property damage for each occurrence and shall not be less than the amounts specified below:

- (a) Comprehensive General Liability..... \$1,000,000
- (b) Motor Vehicle Liability Insurance..... \$1,000,000
- (c) Professional Liability..... \$1,000,000

County and its officers, agents, employees, and servants shall be named as additional insured on any such policies of insurance, which shall also contain a provision that (a) the insurance afforded thereby to County and its officers, agents, employees, and servants shall be primary insurance to the full limits of liability of the policy and (b) if the County or its officers, agents, employees, and servants have other insurance against the loss covered by such a policy, such other insurance shall be excess insurance only.

In the event of the breach of any provision of this Section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, County, at its option, may, notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend all further work and payment pursuant to this Agreement.

11. Compliance With Laws

All services to be performed by Contractor pursuant to this Agreement shall be performed in accordance with all applicable Federal, State, County, and municipal laws, ordinances, regulations, and executive orders, including but not limited to the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Federal Regulations promulgated thereunder, as amended (if applicable), the Business Associate requirements set forth in Attachment H (if attached), the Americans with Disabilities Act of 1990, as amended, and Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination on the basis of disability in programs and activities receiving any Federal or County financial assistance, as well as any required economic or other sanctions imposed by the United States government or under state law in effect during the term of the Agreement. Such services shall also be performed in accordance with all applicable ordinances and regulations, including but not limited to appropriate licensure, certification regulations, provisions pertaining to confidentiality of records, and applicable quality assurance regulations. In the event of a conflict between the terms of this Agreement and any applicable State, Federal, County, or municipal law, regulation, or executive order, the requirements of the applicable law, regulation, or executive order will take precedence over the requirements set forth in this Agreement.

12. Levine Act Compliance

The Contractor certifies and warrants that Contractor and all its subcontractors have fully complied, and will remain in full compliance, with all applicable requirements of the Levine Act in connection with this Agreement, including making any required disclosures of campaign contributions to County Officers, which includes but may not be limited to elected County Officers. Elected County Officers include members of the San Mateo County Board of Supervisors, as well as the Assessor-County Clerk-Recorder, Controller, Coroner, District Attorney, Sheriff, and Tax Collector-Treasurer. Any campaign contribution required to be disclosed under the Levine Act in connection with this Agreement shall be disclosed on the disclosure form provided by the County of San Mateo Levine Act Disclosure Form, a copy of which is available from the County upon request.

Contractor will timely and accurately complete, sign, and submit all necessary documentation of compliance.

13. Non-Discrimination and Other Requirements

a. General Non-discrimination

No person shall be denied any services provided pursuant to this Agreement (except as limited by the scope of services) on the grounds of race, color, national origin, ancestry, age, disability (physical or mental), sex, sexual orientation, gender identity, marital or domestic partner status, religion, political beliefs or affiliation, familial or parental status (including pregnancy), medical condition (cancer-related), military service, or genetic information.

b. Equal Employment Opportunity

Contractor shall ensure equal employment opportunity based on objective standards of recruitment, classification, selection, promotion, compensation, performance evaluation, and management relations for all employees under this Agreement. Contractor's equal employment policies shall be made available to County upon request.

c. Section 504 of the Rehabilitation Act of 1973

Contractor shall comply with Section 504 of the Rehabilitation Act of 1973, as amended, which provides that no otherwise qualified individual with a disability shall, solely by reason of a disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination in the performance of any services this Agreement. This Section applies only to contractors who are providing services to members of the public under this Agreement.

d. Compliance with County's Equal Benefits Ordinance

Contractor shall comply with all laws relating to the provision of benefits to its employees and their spouses or domestic partners, including, but not limited to, such laws prohibiting discrimination in the provision of such benefits on the basis that the spouse or domestic partner of the Contractor's employee is of the same or opposite sex as the employee.

e. Discrimination Against Individuals with Disabilities

The nondiscrimination requirements of 41 C.F.R. 60-741.5(a) are incorporated into this Agreement as if fully set forth here, and Contractor and any subcontractor shall abide by the requirements of 41 C.F.R. 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.

f. History of Discrimination

Contractor certifies that no finding of discrimination has been issued in the past 365 days against Contractor by the Equal Employment Opportunity Commission, the California Department of Fair Employment and Housing, or any other investigative entity. If any finding(s) of discrimination have been issued against Contractor within the past 365 days by the Equal Employment Opportunity Commission, the California Department of Fair Employment and Housing, or other investigative entity, Contractor shall provide County with a written explanation of the outcome(s) or remedy for the discrimination prior to execution of this Agreement. Failure to comply with this Section shall constitute a material breach of this Agreement and subjects the Agreement to immediate termination at the sole option of the County.

g. Reporting: Violation of Non-discrimination Provisions

Contractor shall also report to the County the filing by any person in any court any complaint of discrimination or the filing by any person of any and all charges with the Equal Employment Opportunity Commission, the Fair Employment and Housing Commission, or any other entity charged with the investigation of allegations of discrimination within seventy-five (75) days of such filing, provided that within such seventy-five (75) days such entity has not notified contractor that such charges are dismissed or otherwise unfounded. Such notification to County shall include a general description of the allegations and the nature of specific claims being asserted. Contractor shall provide County with a statement regarding how it responded to the allegations within sixty (60) days of its response and shall update County regarding the nature of the final resolution of such allegations.

Violation of the non-discrimination provisions of this Agreement shall be considered a breach of this Agreement and subject the Contractor to penalties, to be determined by the County Executive Officer, including but not limited to the following:

- i. termination of this Agreement;
- ii. disqualification of the Contractor from being considered for or being awarded a County contract for a period of up to 3 years;
- iii. liquidated damages of \$2,500 per violation; and/or
- iv. imposition of other appropriate contractual and civil remedies and sanctions, as determined by the County Executive Officer.

To effectuate the provisions of this Section, the County Executive Officer shall have the authority to offset all or any portion of the amount described in this Section against amounts due to Contractor under this Agreement or any other agreement between Contractor and County.

h. Compliance with Living Wage Ordinance

As required by Chapter 2.88 of the San Mateo County Ordinance Code, Contractor certifies all contractor(s) and subcontractor(s) obligated under this contract shall fully comply with the provisions of the County of San Mateo Living Wage Ordinance, including, but not limited to, paying all Covered Employees the current Living Wage and providing notice to all Covered Employees and Subcontractors as required under the Ordinance.

14. Compliance with County Employee Jury Service Ordinance

Contractor shall comply with Chapter 2.85 of the County's Ordinance Code, which states that Contractor shall have and adhere to a written policy providing that its employees, to the extent they are full-time employees and live in San Mateo County, shall receive from the Contractor, on an annual basis, no fewer than five days of regular pay for jury service in San Mateo County, with jury pay being provided only for each day of actual jury service. The policy may provide that such employees deposit any fees received for such jury service with Contractor or that the Contractor may deduct from an employee's regular pay the fees received for jury service in San Mateo County. By signing this Agreement, Contractor certifies that it has and adheres to a policy consistent with Chapter 2.85. For purposes of this Section, if Contractor has no employees in San Mateo County, it is sufficient for Contractor to provide the following written statement to County: "For purposes of San Mateo County's jury service ordinance, Contractor certifies that it has no full-time employees who live in San Mateo County. To the extent that it hires any such employees during the term of its Agreement with San Mateo County, Contractor shall adopt a policy that complies with Chapter 2.85 of the County's Ordinance Code." The requirements of Chapter 2.85 do not apply unless this Agreement's total value listed in the Section titled "Payments", exceeds two-hundred thousand dollars (\$200,000); Contractor acknowledges that Chapter 2.85's requirements will apply if this Agreement is amended such that its total value exceeds that threshold amount.

15. Retention of Records; Right to Monitor and Audit

(a) Contractor shall maintain all required records relating to services provided under this Agreement for three (3) years after County makes final payment and all other pending matters are closed, and Contractor shall be subject to the examination and/or audit by County, a Federal grantor agency, and the State of California.

(b) Contractor shall comply with all program and fiscal reporting requirements set forth by applicable Federal, State, and local agencies and as required by County.

(c) Contractor agrees upon reasonable notice to provide to County, to any Federal or State department having monitoring or review authority, to County's authorized representative, and/or to any of their respective audit agencies access to and the right to examine all records and documents necessary to determine compliance with relevant Federal, State, and local statutes, rules, and regulations, to determine compliance with this Agreement, and to evaluate the quality, appropriateness, and timeliness of services performed.

16. Merger Clause; Amendments

This Agreement, including the Exhibits and Attachments attached to this Agreement and incorporated by reference, constitutes the sole Agreement of the parties to this Agreement and correctly states the rights, duties, and obligations of each party as of this document's date. In the event that any term, condition, provision, requirement, or specification set forth in the body of this Agreement conflicts with or is inconsistent with any term, condition, provision, requirement, or specification in any Exhibit and/or Attachment to this Agreement, the provisions of the body of the Agreement shall prevail. Any prior agreement, promises, negotiations, or representations between the parties not expressly stated in this document are not binding. All subsequent modifications or amendments shall be in writing and signed by the parties.

17. Controlling Law; Venue

The validity of this Agreement and of its terms, the rights and duties of the parties under this Agreement, the interpretation of this Agreement, the performance of this Agreement, and any other dispute of any nature arising out of this Agreement shall be governed by the laws of the State of California without regard to its choice of law or conflict of law rules. Any dispute arising out of this Agreement shall be venued either in the San Mateo County Superior Court or in the United States District Court for the Northern District of California.

18. Notices

Any notice, request, demand, or other communication required or permitted under this Agreement shall be deemed to be properly given when both: (1) transmitted via facsimile to the telephone number listed below or transmitted via email to the email address listed below; and (2) sent to the physical address listed below by either being deposited in the United States mail, postage prepaid, or deposited for overnight delivery, charges prepaid, with an established overnight courier that provides a tracking number showing confirmation of receipt.

In the case of County, to:

Name/Title: Kim-Anh Le, Deputy Controller
Address: 555 County Center, 4th Floor, Redwood City, CA 94063
Telephone: 650-599-1104
Email: KLe@smcgov.org

In the case of Contractor, to:

Name/Title: Benjamin Lau, Partner
Address: 2121 N. California Blvd., Suite 750 Walnut Creek, CA 94596
Telephone: 925-395-2839
Email: blau@mgocpa.com

19. Electronic Signature

Both County and Contractor wish to permit this Agreement and future documents relating to this Agreement to be digitally signed in accordance with California law and County’s Electronic Signature Administrative Memo. Any party to this Agreement may revoke such agreement to permit electronic signatures at any time in relation to all future documents by providing notice pursuant to this Agreement.

20. Payment of Permits/Licenses

Contractor bears responsibility to obtain any license, permit, or approval required from any agency for work/services to be performed under this Agreement at Contractor’s own expense prior to commencement of said work/services. Failure to do so will result in forfeit of any right to compensation under this Agreement.

21. Duties Upon Termination of Agreement

- a. Upon termination of the Agreement, for any reason, Contractor shall return or destroy all Personally Identifiable Information (“PII”) received from County, or created, maintained, or received by Contractor on behalf of County that Contractor still maintains in any form. This provision shall apply to PII that is in the possession of subcontractors or agents of Contractor. Contractor shall retain no copies of the PII.
- b. In the event that Contractor determines that returning or destroying PII is infeasible, Contractor shall provide to County notification of the conditions that make return or destruction infeasible. Upon mutual Agreement of the Parties that return or destruction of PII is infeasible, Contractor shall extend the protections of the Agreement to such PII and limit further uses and disclosures of such PII to those purposes that make the return or destruction infeasible, for so long as Contractor maintains such PII.

* * *

In witness of and in agreement with this Agreement's terms, the parties, by their duly authorized representatives, affix their respective signatures:

For Contractor: Macias, Gini & O'Connell, LLP
Benjamin Lau
Digitally signed by Benjamin Lau
Date: 2026.05.27 16:15:01 -07'00'

5/27/2026

Contractor Signature

Date

Benjamin Lau, Partner
Contractor Name (please print)

COUNTY OF SAN MATEO

By:

President, Board of Supervisors, San Mateo County

Date:

ATTEST:

By:

Clerk of Said Board

Exhibit A

In consideration of the payments set forth in Exhibit B, Contractor shall provide the following services:

The County desires the contractor to express an opinion on the presentation of the County’s basic financial statements contained in its Annual Comprehensive Financial Report (ACFR) in conformity with accounting standards Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standard Board (GASB) of the United States of America.

1. The Contractor shall, conduct an audit of the County Annual Financial Report in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. The audit shall conduct such tests of the accounting records and such other auditing procedures considered necessary under the circumstances in order that the contractor may render an opinion of the financial statements of the County for the fiscal year ending June 30.

The Contractor is to provide an opinion on the basic financial statements and are responsible for communicating any information believed to be material misstatements of fact.

The Contractor shall be responsible for performing certain limited procedures involving supplementary information required by the GASB and as mandated by GAAP.

The anticipated schedule and timeline of activities and tasks for the fiscal year to be audited for the ACFR is provided below. Each of the following tasks should be completed by the Contractor no later than the dates indicated. Should the County require additional time up to 40 days, the Contractor shall ensure that the necessary auditor resources remain available to complete the audit as close to the scheduled dates as possible.

For Fiscal Year 25-26	NO LATER THAN DUE DATE
1. <u>Detailed Audit Plan</u> : The Contractor shall provide County with a list of all schedules to be prepared by the County.	June 30 th
2. Contractor to complete <u>Interim Work</u>	3 rd Friday in July
Please see Fiscal Year 26-27 through Fiscal Year 29-30 for all other deliverable details and due dates below from <u>Fieldwork</u> through <u>Final ACFR</u> . (Item #3 to #6)	See Dates Below for details
For Fiscal Year 26-27 through Fiscal Year 29-30	NO LATER THAN DUE DATE
1. <u>Detailed Audit Plan</u> : The Contractor shall provide County with a list of all schedules to be prepared by the County.	3 rd Week of May
2. Contractor to complete <u>Interim Work</u>	3 rd Friday in July
3. Contractor to complete <u>Fieldwork</u>	4 th Friday in September or on an otherwise agreed-upon date
4. <u>Draft Reports</u> : The Contractor shall have drafts of the audit report and recommendations for management available for review by the Controller and County Executive.	3 rd Friday in November or on an otherwise agreed-upon date

<p>5. <u>Entrance Meetings, Progress Reports and Exit Meetings:</u> A time schedule will be developed for audits within the week of the dates indicated above.</p>
<p>5a. <u>Entrance conference:</u> Conduct entrance conferences with all key finance department personnel and department heads of key offices or programs. The meeting will discuss prior audit findings and the interim work to be performed. This meeting will be used to establish overall liaison for the audit and to make arrangements for workspace and other needs of the auditor.</p>
<p>5b. <u>Ongoing weekly status updates:</u> These meetings will be to update progress of the audit and to identify internal controls or other matters to address.</p>
<p>5c. <u>Exit meetings:</u> This meeting will be to summarize the results of the fieldwork and to review significant findings.</p>
<p>6. <u>Date Final ACFR is Due:</u> The Controller shall prepare draft financial statements, including MD&A, notes and required supplementary schedules and statistical data by a mutually agreed upon date. The Contractor shall provide all recommendations, revisions and suggestions for the financial statement described above. Once all issues are resolved, the final signed report shall be delivered to the Controller within 5 working days electronically.</p>

2. The Contractor shall conduct a Single Audit in accordance with the Office of Management and Budget's (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. The auditor shall conduct audits described in the following paragraphs to issue a Single Audit Report (SAR) and submit to the Federal Clearing House on or before the due date.
 - a. The audits shall be performed in accordance with the audit requirements of the US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards.
 - b. The Contractor's examination of the County's financial statements shall be the financial type described in the American Institute of Certified Public Accountants (AICPA) Industry Audit Guide, *Audits of State and Local Governmental Units* and the *Governmental Accounting and Financial Reporting Standards* published by GASB. The examination shall be conducted in accordance with auditing standards generally accepted in the United States of America leading to the expression of an opinion in compliance with the regulations of the California State Board of Accountancy, Article 9 – Rules of Professional Conduct, Section 58.
 - c. The compliance examination shall enable the contractor to determine whether the organization has complied with the laws and regulations that may have a material effect on each major Federal assistance program. The Contractor shall supply special reports and expressions as required by the cognizant agency and express an opinion on the County's compliance with all Federal assistance programs in accordance with Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Audits of Sub-recipients are excluded from this agreement.
 - d. The Contractor shall coordinate with the County for submission of the SAR in the Federal Clearing House.
3. Upon completion of the audit of each fiscal year's ACFR and Single Audit Report (SAR) the Contractor shall issue a report to the Board of Supervisors of the County of San Mateo:
 - a. Auditor Responsibility in Relation to the Financial Statement Audit.

- b. Planned Scope and Timing of the Audit.
 - c. Compliance with All Ethics Requirements Regarding Independence.
 - d. Qualitative Aspects of the County's Significant Accounting Practices.
 - e. Significant Difficulties Encountered during the Audit.
 - f. Uncorrected and Corrected Audit Adjustments.
 - g. Disagreements with Management.
 - h. Representations Requested from Management.
 - i. Management Consultations with Other Accountants.
 - j. Other Significant Matters, Findings, or Issues.
 - k. Other Information in Annual Comprehensive Financial Report (ACFR)
4. The Contractor shall conduct an examination and prepare separate report on the County's compliance with the Investment Policy adopted by the Board of Supervisors and other relevant Government Code sections for each fiscal year ending June 30th.
 5. The Contractor shall review the calculations of the appropriation limits of the County pursuant to the provisions of Proposition 111 (Section 1.5 of Article XIII B of the California Constitution). The review will evaluate the accuracy of the computations and the adequacy of documentation for each fiscal year ending June 30th. The auditor shall provide a separate report thereon.
 6. The Contractor shall audit the following three identified grants for the District Attorney's Office and issue separate reports thereon in accordance with the California Department of Insurance grant requirements:
 - a. Automobile Insurance Fraud Grant
 - b. Worker's Compensation Insurance Fraud Grant
 - c. Disability and Healthcare Insurance Fraud Program
 7. The Contractor shall audit the Joint Powers Financing Authority (JPFA) and issue a report thereon.
 8. The Contractor shall perform a separate, stand-alone audit of the San Mateo Medical Center enterprise funds (inclusive of clinics) and issue a report thereon. The audit shall be performed in accordance with auditing standards generally accepted in the United States of America and shall comply with the applicable AICPA audit guide(s) for each fiscal year ending June 30th.
 9. The Contractor shall audit the San Mateo County Local Transportation Fund and issue a report thereon.
 10. The Contractor may perform either audit or agreed-upon-procedures or consultation of tax credits under separate contracts with county Departments if requested by county Departments.

AUDITING STANDARDS TO BE FOLLOWED

The audit shall be performed in accordance with generally accepting auditing standards as set forth by AICPA, the standards for financial audits set forth in the Government Accountability Office Government Auditing Standards (2018), and the provisions of OMB's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

IRREGULARITIES AND ILLEGAL ACTS

Contractor shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the County.

REQUIRED COMMUNICATION TO THE COUNTY

Contractor shall ensure that the County is informed of each of the following:

- a. The Contractor responsibility under auditing standards generally accepted in the United States of America and 2 CFR part 200, subpart F (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards).
- b. Significant accounting policies.
- c. Audit adjustments.
- d. Disagreements with management.
- e. Consultations with other independent accountants.
- f. Significant issues and concerns.
- g. Difficulties in performing the audit.

SPECIAL CONSIDERATIONS

- 1. The County will submit its ACFR to the Government Finance Officers Association of the United States and Canada for review in the Certificate of Achievement for Excellence in Financial Reporting (“Certificate”) program. The Contractor will be required to provide assistance, primarily in the form of a technical review and guidance, to the County to meet the requirements of that program. Should the Certificate not be received for any fiscal year covered by the contract, it shall be considered sufficient grounds for the County to terminate the contract.

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 seven (7) years, unless the Contractor is notified in writing by the County of the need to extend the retention period. The Contractor is required to make working papers available, upon request, to the following parties or their designees:

- 1. County Management
- 2. Government Accountability Office
- 3. Parties designated by the federal or state governments or by the County as part of an audit quality review process.
- 4. Auditor of entities of which the County is a sub-recipient of grant funds

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

DUE DATES FOR REPORTS LISTED IN THIS SECTION

3. Due Dates for reports listed in this section.

Deliverables*	Due Dates
* All reports require electronic copy and hard copies	
1. JPFA Report	2 nd Thursday in October

2. Annual Comprehensive Financial Report (ACFR)	Last Wednesday in November
3. Report on Appropriation Limit	September 30th
4. Medical Center Enterprise Funds Audit Report	Last Tuesday in October
5. Investment Policy Report	September 30
6. All District Attorney's Reports	November 15
7. Single Audit Report	March 30
8. Management Letter	March 30
9. Local Transportation Fund	November 30

PERFORMANCE MEASURES:

A. Performance Measures

The following performance measures will be used to evaluate the selected Contractor's performance.

Performance measures are based on the % of successfully meeting the below requirements but not limited to the following:

1. The audit team is comprised of an appropriate number and skilled level of staff to complete deliverables.
2. Partners and managers are involved sufficiently throughout all audits to properly oversee each deliverable.
3. The audit team's time frame in responding to client's technical and non-technical questions.
4. The audit firm has in-depth knowledge of ACFR's software [not just Excel or Access databases].
5. The audit firm has strong internal quality control processes in place for the level and nature of review procedures and the ability to resolve the approach to audit judgements and issues that may arise.
6. The ACFR meets the requirements for the Certificate of Achievement for Excellence in Financial Reporting program.

Exhibit B

In consideration of the services provided by Contractor described in Exhibit A and subject to the terms of the Agreement, County shall pay Contractor based on the following fee schedule and terms:

The term of this Agreement shall cover audit services for FY 2026-27 for the period of FY 2025-26; for FY 2027-28 for the period FY 2026-27; and for FY 2028-29 for the period of FY 2027-28 and shall not exceed a total of \$1,575,750.00. (\$509,750 for FY 2026, \$525,100 for FY 2027, and \$540,900 for FY 2028).

Table 1. Fee Schedule for Audit Services

Deliverable Report	Fees for FY 2026	Fees for FY 2027	Fees for FY 2028
Annual Comprehensive Financial Report	\$ 227,100	\$ 233,900	\$ 240,900
Single Audit (up to 7 major programs)	\$ 116,600	\$ 120,100	\$ 123,700
Investment Policy Agreed Upon Procedures Report	\$ 11,000	\$ 11,350	\$ 11,700
Appropriations Limit Agreed Upon Procedures Report	\$ 2,000	\$ 2,050	\$ 2,100
Three (3) District Attorney's Grants Audit Reports	\$ 15,950	\$ 16,450	\$ 16,950
Joint Powers Financing Authority Financial Statement Report	\$ 30,050	\$ 30,950	\$ 31,900
San Mateo Medical Center Funds Financial Statement Report	\$ 102,850	\$ 105,950	\$ 109,150
Local Transportation Fund Report	\$ 4,200	\$ 4,350	\$ 4,500
Grand Total (Not to Exceed)	\$ 509,750	\$ 525,100	\$ 540,900

Should the County exercise its option to extend the term of the Agreement by one additional year pursuant to Section 3 of this Agreement, the amount shall not exceed \$557,100 for FY 2029 and \$573,750 for the additional year for FY 2030. The total amount for the term of the Agreement shall not exceed a total of \$2,706,600 through the additional audit service periods.

Table 2. Fee Schedule for Audit Services – Optional Extensions

Deliverable Report	Fees for FY 2029	Fees for FY 2030
Annual Comprehensive Financial Report	\$ 248,150	\$ 255,600
Single Audit (up to 7 major programs)	\$ 127,400	\$ 131,200
Investment Policy Agreed Upon Procedures Report	\$ 12,050	\$ 12,400
Appropriations Limit Agreed Upon Procedures Report	\$ 2,150	\$ 2,200
Three (3) District Attorney's Grants Audit Reports	\$ 17,450	\$ 17,950
Joint Powers Financing Authority Financial Statement Report	\$ 32,850	\$ 33,850
San Mateo Medical Center Funds Financial Statement Report	\$ 112,400	\$ 115,750
Local Transportation Fund Report	\$ 4,650	\$ 4,800
Grand Total (Not to Exceed)	\$ 557,100	\$ 573,750