



Teresa D. Johnson CPA, Inc.

December 8, 2023

Cathy Huber, Finance Director
City of Camas
616 NE 4th Avenue
Camas, WA 98607

Dear Cathy:

Teresa D Johnson CPA, Inc (“firm,” “we,” “us,” or “our”) is pleased to provide the City of Camas (“you” or “your”) with the professional services described below. This letter, and the attached *Terms and Conditions Addendum* and any other attachments incorporated herein (collectively, “Agreement”), confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide. The engagement between you and our firm will be governed by the terms of this Agreement.

Engagement Objective and Scope

Consulting Services

We will provide technical assistance to the City of Camas during the year, as requested. This may relate to answering technical accounting questions, aiding with internal controls, assisting with yearend journal entries or other matters.

We will also perform a technical review of the City Financials Statements for the period ending December 31, 2023, using the GFOA checklist or AICPA State and Local Governments checklist. Additionally, this will consist of reading the financial statements, tying the statements to each other, and looking for obvious errors. We will not audit or review these statements and/or schedules.

The performance of “other accounting services” is deemed to be “nonattest services” in our professional standards.

Preparation Services

The objective of our engagement is to prepare from information you provide, the annual financial statements of City of Camas, which are comprised of the statement of net position as of December 31, 2023, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended and the related notes to the financial statements. We will also prepare the Net Pension and OPEB Liability calculation and Required Supplementary information for the period ending December

31, 2023. Additionally, we will prepare the required management’s discussion and analysis and Washington State Auditor’s Office annual schedules, as applicable.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the entity or noncompliance with laws or regulations. In addition, we are not responsible for identifying or communicating deficiencies in your internal controls.

Engagement Deliverable

The deliverable of this engagement will be the prepared financial statements, and the Net Pension liability and OPEB liability calculations outlined in the *Engagement Objective and Scope* section of this Agreement.

The prepared financial statements will not be accompanied by a report.

Each page of the financial statements will include a legend with the following items:

- A statement indicating that no assurance is provided on the financial statements;
- If applicable, a statement on whether the financial statements contain any known departures from U.S. GAAP, including inadequate disclosure; and
- If applicable, a statement on whether the financial statements omit substantially all required disclosures.

CPA Firm Responsibilities

We will conduct our engagement in accordance with the Statements on Standards for Accounting and Review Services (“SSARS”) issued by the American Institute of Certified Public Accountants including the ethical principles of integrity, objectivity, professional competence, and due care.

Financial statement preparation differs significantly from an engagement to compile financial statements, or a review or audit of financial statements. Compilation procedures require the accountant to consider whether the financial statements appear to be appropriate in form and free from obvious material misstatements. A financial statement preparation does not include such procedures. In addition, a financial statement preparation also does not contemplate performing inquiry, analytical procedures, or other procedures ordinarily performed in a review. Finally, a financial statement preparation does not contemplate obtaining an understanding of the entity’s internal controls, assessing fraud risk, testing accounting records by obtaining sufficient appropriate audit evidence through inspection, observation, confirmation, or the examination of source documents (for example, cancelled checks or bank images), or other procedures ordinarily performed in an audit.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion or a conclusion or provide any assurance on the prepared financial statements.

PHONE

360.904.0972

EMAIL

TERESA@TDJCPA.COM

If we become aware of records, documents, explanations, or other information, including significant judgments, used in preparation of the financial statement that are incomplete, inaccurate, or otherwise unsatisfactory, we will bring this information to the attention of management and request additional or corrected information.

Our responsibility under this engagement is limited to the period covered by our services and does not extend to matters that may arise during any later periods for which we are not engaged.

This engagement is limited to the professional services outlined above.

Client Responsibilities

The engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare financial statements in accordance with U.S. GAAP.

You have the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARS:

- the selection of the financial reporting framework to be applied in the preparation of the financial statements;
- the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of the financial statements that are free from misstatement whether due to fraud or error;
- the prevention and detection of fraud;
- identifying and ensuring that you comply with the laws and regulations applicable to your activities;
- providing us with:
 - Documentation and other information that is relevant to the preparation and presentation of the financial statements;
 - Additional information that we may request from you for the purpose of the engagement; and
 - Unrestricted access to persons with the entity of whom we determine it necessary to communicate.
- safeguarding your records and documentation;
- ensuring that your records, documentation, explanations and other information, including significant judgments, you provide to us are complete and accurate; and

During the course of the engagement, we may assist management with judgments regarding amounts or disclosures to be reflected in the financial statements. We will discuss any such judgments with you, and you accept responsibility of those judgments.

P H O N E

3 6 0 . 9 0 4 . 0 9 7 2

E M A I L

T E R E S A @ T D J C P A . C O M

You also acknowledge that independence is not required in order to provide financial statement preparation services in accordance with the SSARS. The performance of the preparation services may impair our independence unless safeguards are met. We are available to discuss these safeguards with you if you anticipate the need for services that require independence, such as an audit or review of financial statements.

Timing of Engagement

We expect to begin services, as described in the *Engagement Objective and Scope*, on approximately January 1, 2024 and plan to provide the prepared financial statements to you on approximately April 30, 2024. The timing of our work is dependent on the timely receipt of the information we request from you. Our services will conclude upon the earlier of:

- delivery of the prepared financial statements to you;
- as of the date of our closure letter; or
- written notification by either party that the engagement is terminated.

Consulting services may continue until December 31, 2024.

Professional Fee

We estimate that our fee for the services outlined above will not exceed \$61,500. This will be billed monthly at the standard billing rate of \$246 per hour for certified public accounts and \$178 per hour for non licensed accountants. This fee is based upon the complexity of the work to be performed and our professional time, as well as out-of-pocket expenses. In addition, this fee is dependent on the timely delivery, availability, quality, and completeness of the information you provide to us. You agree that you will deliver all records requested and respond to all inquiries made by our staff to complete this engagement on a timely basis. If this estimate will be exceeded, we will obtain pre-approval prior to performing additional services.

Termination and Other Terms

We reserve the right to withdraw from the engagement without completing services for any reason, including, but not limited to, non-payment of fees, your failure to comply with the terms of this Agreement, or as we determine professional standards require. If our work is suspended or terminated, you agree that we will not be responsible for your failure to meet governmental and other deadlines, or for any liability, including but not limited to, penalties or interest that may be assessed against you resulting from your failure to meet such deadlines. Further, either party may terminate with a 30-day written notice.

If this Agreement is terminated before services are completed, you agree to compensate us for the services performed and expenses incurred through the effective date of termination.

You may request that we perform additional services not contemplated by this engagement letter. If this occurs, we will communicate with you regarding the scope and estimated cost of these additional services.

PHONE

360.904.0972

EMAIL

TERESA@TDJCPA.COM

Engagements for additional services may necessitate that we amend this letter or issue a separate engagement letter to reflect the obligations of both parties. In the absence of any other written communications from us documenting additional services, our services will be limited to and governed by the terms of this engagement letter.

Entire Agreement

This engagement letter, including any attachments, encompasses the entire agreement of the parties and supersedes all previous understandings and agreements between the parties, whether oral or written. Any modification to the terms of this engagement letter must be made in writing and signed by both parties. This Agreement has been entered into solely between City of Camas and Teresa D Johnson CPA, Inc and no third-party beneficiaries are created hereby.

* * * * *

We appreciate the opportunity to be of service to City of Camas. Please date and execute the enclosed copy of this Agreement and return it to us to acknowledge your acceptance. We will not initiate services until we receive the executed Agreement.

Very truly yours,



Teresa D. Johnson

Approved:

Cathy Huber, Executive Director

Date: _____

PHONE
360.904.0972

EMAIL
TERESA@TDJCPA.COM

Terms and Conditions Addendum for Teresa D Johnson CPA, Inc

Overview

This addendum to the engagement letter describes our standard terms and conditions (“Terms and Conditions”) related to our provision of services to you. This addendum, and the accompanying engagement letter, comprise your agreement with us (“Agreement”). If there is any inconsistency between the engagement letter and this *Terms and Conditions Addendum*, the engagement letter will prevail to the extent of the inconsistency.

For the purposes of this *Terms and Conditions Addendum*, any reference to “firm,” “we,” “us,” or “our” is a reference to Teresa D Johnson CPA, Inc, and any reference to “you,” or “your” is a reference to the party or parties that have engaged us to provide services. References to “Agreement” mean the engagement letter or other written document describing the scope of services, any other attachments incorporated therein, and this *Terms and Conditions Addendum*.

Electronic Data Communication and Storage

In the interest of facilitating our services to you, we may send data over the Internet, temporarily store electronic data via computer software applications hosted remotely on the Internet, or utilize cloud-based storage. Your confidential electronic data may be transmitted or stored using these methods. In using these data communication and storage methods, our firm employs measures designed to maintain data security. We use reasonable efforts to keep such communications and electronic data secure in accordance with our obligations under applicable laws, regulations, and professional standards.

You recognize and accept that we have no control over the unauthorized interception or breach of any communications or electronic data once it has been transmitted or if it has been subject to unauthorized access while stored, notwithstanding all reasonable security measures employed by us. You consent to our use of these electronic devices and applications during this engagement.

If you transmit your confidential information to us in a manner other than via a secure portal, you accept responsibility for any and all unauthorized access to your confidential information. If you request that we transmit confidential information to you in a manner other than via a secure portal, you agree that we are not responsible for any liability associated therewith, including but not limited to, (a) any loss or damage of any nature, whether direct or indirect, that may arise as a result of our sending confidential information in a manner other than a secure portal, and (b) any damages arising as a result of any virus being passed on or with, or arising from any alteration of, any email message.

P H O N E

3 6 0 . 9 0 4 . 0 9 7 2

E M A I L

T E R E S A @ T D J C P A . C O M

Newsletters and Similar Communications

We may send newsletters, emails, explanations of technical developments or similar communications to you. These communications are of a general nature and should not be construed as professional advice. We may not send all such communications to you. These communications do not constitute a client relationship with you, nor do they constitute advice or an undertaking on our part to monitor issues for you.

Independent Contractor

When providing services to your company, we will be functioning as an independent contractor and in no event will we or any of our employees be an officer of you, nor will our relationship be that of joint venturers, partners, employer and employee, principal and agent, or any similar relationship giving rise to a fiduciary duty to you.

Our obligations under this agreement are solely obligations of Teresa D Johnson CPA, Inc, and no partner, principal, employee or agent of Teresa D Johnson CPA, Inc shall be subjected to any personal liability whatsoever to you or any person or entity.

Disclaimer of Legal and Investment Advice

Our services under this Agreement do not constitute legal or investment advice unless specifically engaged to provide investment advice in the *Engagement Objective and Scope* section of this Agreement. We recommend that you retain legal counsel and investment advisors to provide such advice.

Referrals

In the course of providing services to you, you may request referrals to products or professionals such as attorneys, brokers, or investment advisors. We may identify professional(s) or product(s) for your consideration. However, you are responsible for evaluating, selecting, and retaining any professional or product and determining if the professional or product meets your needs. You agree that we will not oversee the activities of and have no responsibility for the work product of any professional or the suitability of any product we refer to you or that you separately retain. Further, we are not responsible for any services we perform that fail to meet the intended outcomes as a result of relying on the services of other professionals or products you may retain.

Brokerage or Investment Advisory Statements

If you provide our firm with copies of brokerage (or investment advisory) statements and/or read-only access to your accounts, we will use the information solely for the purpose described in the *Engagement Objective and Scope* section of the engagement letter. We will rely on the accuracy of the information provided in the statements and will not undertake any action to verify this information. We will not monitor transactions, investment activity, provide investment advice, or

PHONE

360.904.0972

EMAIL

TERESA@TDJCPA.COM

supervise the actions of the entity or individuals entering into transactions or investment activities on your behalf. We recommend that you receive and carefully review all statements upon receipt and direct any questions regarding account activity to your banker, broker or investment advisor.

Limitations on Oral and Email Communications

We may discuss with you our views regarding the treatment of certain items or decisions you may encounter. We may also provide you with information in an email. Any advice or information delivered orally or in an email (rather than through a memorandum delivered as an email attachment) will be based upon limited research and a limited discussion and analysis of the underlying facts. Additional research or a more complete review of the facts may affect our analysis and conclusions.

Due to these limitations and the related risks, it may or may not be appropriate to proceed with a decision solely on the basis of any oral or email communication from us. You accept all responsibility, except to the extent caused by our gross negligence or willful misconduct, for any liability, including but not limited to additional tax, penalties or interest resulting from your decision (i) not to have us perform the research and analysis necessary to reach a more definitive conclusion and (ii) to instead rely on an oral or email communication. The limitation in this paragraph will not apply to an item of written advice that is a deliverable of a separate engagement. If you wish to engage us to provide formal advice on a matter on which we have communicated orally or by email, we will confirm this service in a separate engagement letter.

Management Responsibilities

While Teresa D Johnson CPA, Inc can provide assistance and recommendations, you are responsible for management decisions and functions, and for designating an individual with suitable skill, knowledge or experience to oversee any services that Teresa D Johnson CPA, Inc provides. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services. You are ultimately responsible for establishing and maintaining internal controls, including monitoring ongoing activities.

Conflicts of Interest

If we, in our sole discretion, believe a conflict has arisen affecting our ability to deliver services to you in accordance with either the ethical standards of our firm or the ethical standards of our profession, we may be required to suspend or terminate our services without issuing our work product.

Mediation

If a dispute arises out of or relates to the Agreement, including the scope of services contained herein, or the breach thereof, and if the dispute cannot be settled through negotiation, the parties agree first to try to settle the dispute by mediation administered by the American Arbitration

P H O N E

3 6 0 . 9 0 4 . 0 9 7 2

E M A I L

T E R E S A @ T D J C P A . C O M

Association (“AAA”) under the *AAA Accounting and Related Services Arbitration Rules and Mediation Procedures* before resorting to arbitration, litigation, or some other dispute resolution procedure. The mediator will be selected by mutual agreement of the parties. If the parties cannot agree on a mediator, a mediator shall be designated by the AAA.

The mediation will be treated as a settlement discussion and, therefore, all discussions during the mediation will be confidential. The mediator may not testify for either party in any later proceeding related to the dispute. No recording or transcript shall be made of the mediation proceedings. The costs of any mediation proceedings shall be shared equally by all parties. Any costs of legal representation shall be borne by the hiring party.

Indemnification

You agree to defend, indemnify, and hold us, including our shareholders, directors, officers, employees, agents, and representatives harmless from and against any and all damages, claims, losses, fees, assessments, interest charges, or penalties, including reasonable attorneys’, incurred by or charges to us as a result of any claim, cause of action, or assessment whatsoever arising out of or related to, directly or indirectly, your misrepresentations to us, your withholding or concealment of information from us, or your breach of the terms of this Agreement, excepting only claims arising out of the gross negligence or intentional acts of us. The provisions of this paragraph shall apply regardless of the nature of the claim.

Insurance

Teresa D Johnson, CPA Inc shall, during the term of the engagement and for 3 years after termination of same by either you or us, maintain in full force and effect, accountants professional liability insurance coverage from an insurance carrier or carriers licensed to conduct business in the state of Washington. As of the policy effective date, such insurance carrier(s) shall be rated A- (Excellent), by A.M. Best with a Financial Size Category of Class VII or greater. Premiums for said insurance policy shall be paid by Teresa D Johnson CPA, Inc.

Upon your written request, Teresa D Johnson CPA, Inc shall furnish certificates of insurance for the required insurance coverage. Such certificate of insurance shall indicate the minimum limits of liability per claim and in the aggregate as required by you.

Proprietary Information

You acknowledge that proprietary information, documents, materials, management techniques and other intellectual property are a material source of the services we perform and were developed prior to our association with you. Any new forms, software, documents or intellectual property we develop during this engagement for your use shall belong to us, and you shall have the limited right to use them solely within your business. All reports, templates, manuals, forms, checklists, questionnaires, letters, agreements and other documents which we make available to you are confidential and proprietary to us. Neither you, nor any of your agents, will copy, electronically

PHONE

360.904.0972

EMAIL

TERESA@TDJCPA.COM

store, reproduce or make available to anyone other than your personnel, any such documents. This provision will apply to all materials whether in digital, “hard copy” format or other medium.

Force Majeure

Neither party shall be held liable for any delays resulting from circumstances or causes beyond our reasonable control, including, without limitation, fire or other casualty, act of God, strike or labor dispute, war or other violence, epidemics or pandemics as defined by The Centers for Disease Control and Prevention, or any law, order or requirement of any governmental agency or authority. However, no Force Majeure event shall excuse the client of any obligation to pay any outstanding invoice or fee or from any indemnification obligation under this Agreement.

Assignment

All parties acknowledge and agree that the terms and conditions of this Agreement shall be binding upon and inure to the parties’ successors and assigns, subject to applicable laws and regulations.

Severability

If any portion of this Agreement is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of the terms set forth in this Agreement.

PHONE

360.904.0972

EMAIL

TERESA@TDJCPA.COM