

February 17, 2023

Board of County Commissioners
Huerfano County, Colorado
401 Main Street
Walsenburg, Colorado 81089

We are pleased to confirm our understanding of the services we will provide for the Huerfano County (the County). We will provide the County with the 2023 financial consulting and accounting services. These services will include, but are not limited to:

- 2022 general ledger review
- 2022 audit preparation
- Certain reviews, evaluations, and recommendations on internal controls over accounting records
- Assist the County with establishing certain financial policies and procedures
- Provide other financial consulting services, as requested

As part of our engagement, we may perform certain other procedures related to other aspects of the County's accounting and financial records. We will not express an opinion or provide any assurance on the County accounting records, internal controls, or policies and procedures because of the nature of this non-attest engagement.

Consulting Objectives

The objective of our consulting services is to review the County's accounting records and assist the County with the preparation for the 2022 financial statement audit. In addition, we will review the County's accounting records and that they are in conformity with accounting principles generally accepted in the United States of America. The objective also includes reporting on the following.

- Reviews, evaluations, and recommendations on internal controls related to the financial statements and accounting records
- Assist the County with establishing financial policies and procedures
- Provide general financial guidance and recommendations, as requested

The suggestions and recommendations included in this engagement will be advisory in nature. If, for any reason, we are unable to complete the engagement, we will discuss the matters with you in advance.

Management Responsibilities

Management is responsible for the basic financial statements, accounting records, internal controls, and financial operations. Management is also responsible for identifying government award programs and understanding and complying with the compliance requirements, and for preparation of the schedule of expenditures of federal awards in accordance with the requirements of the Uniform Guidance.

Management is responsible for making management decisions relating to the accounting records, financial statements, schedule of expenditures of federal awards, internal controls, policies and procedures, and for accepting full responsibility for such decisions.

This process requires your cooperation in providing us with various types of information and documents. We will be relying on your representations. If we are unable to obtain sufficient information to form a reasonable basis for conclusions and recommendations, our services in connection with this engagement

may be limited to those matters for which sufficient information is available, and this may affect our conclusions and recommendations. Should this be the case, we will so advise you in writing.

If we are unable to obtain sufficient information to proceed with the engagement as contemplated and agreed, we will advise you and, as appropriate, discuss terminating or modifying the engagement with you. If we agree to modify or terminate the engagement, we will communicate that to you in writing.

Other Information

We will keep your non-public information strictly confidential. However, we may be required by legal or regulatory authorities to disclose confidential information without your permission.

Because of the nature of this engagement, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the consulting services are properly planned and performed. In addition, this engagement for accounting and consulting services is not designed to detect misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. Our responsibility as consultants is limited to the period noted in this engagement letter and does not extend to any later periods for which we are not engaged as consultants.

Our services are not designed, and should not be relied upon, as a substitute for the County's judgment nor are they meant to mitigate the necessity of management's review and analysis of the County's accounting records and policies and procedures. Our services are designed to supplement the County's accounting processes and procedures.

Fees, and Other

At the conclusion of the engagement, we will provide a summary of our work and a report on the any recommendations relating to internal controls or financial policies and procedures.

Our fees for these services will be at our standard hourly rate of \$180 per hour plus out-of-pocket costs (such as printing, postage, travel, etc.) with a total of \$18,000 for the first 100 firm hours and \$180 per hour in excess of those hours. Our invoices for these fees will be rendered as work progresses and are payable on presentation. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the consulting engagement. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to the Huerfano County and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the letter and return it to us.

Response

This letter correctly sets forth the understanding of the Huerfano County.

By _____

Title _____

Date _____