



Board of County Commissioners Agenda Request

6A
Agenda Item #

Requested Meeting Date: January 2, 2024

Title of Item: Statement of Work - CLA, SBITA Consulting

<input checked="" type="checkbox"/> REGULAR AGENDA <input type="checkbox"/> CONSENT AGENDA <input type="checkbox"/> INFORMATION ONLY	Action Requested: <input checked="" type="checkbox"/> Approve/Deny Motion <input type="checkbox"/> Adopt Resolution (attach draft) <i>*provide copy of hearing notice that was published</i>	<input type="checkbox"/> Direction Requested <input type="checkbox"/> Discussion Item <input type="checkbox"/> Hold Public Hearing*
Submitted by: Kathleen Ryan		Department: Auditor
Presenter (Name and Title): Kathleen Ryan		Estimated Time Needed: 10 minutes
Summary of Issue: <p>This document constitutes a statement of work ("SOW") under the master service agreement ("MSA") dated November 11, 2022, or superseding MSA, made by and between CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") and Aitkin County, MN ("you," "your," or "the entity"). We are pleased to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services CLA will provide for the entity as of and for the year ended December 31, 2023.</p> <p>CLA New Accounting Standard Assessment</p> <ul style="list-style-type: none"> • Provide preparation checklist(s) to assist with your adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs) and explain how it applies to the entity. • Assist, at your direction, in interviewing your key team members. • Analyze, evaluate and recommend how the SBITAs will be accounted for based on the selection of potential SBITAs provided by you. • Assist with proposal of journal entries and drafting the related GASB Statement No. 96 financial statement disclosures. • Provide to you sufficient information for you to oversee the services, evaluate the adequacy and results of the services; accept responsibility for the results of the services and ensure your 		
Alternatives, Options, Effects on Others/Comments: 		
Recommended Action/Motion: Please approve the Statement of Work for Board Chair and Administrator to sign.		
Financial Impact: <i>Is there a cost associated with this request?</i> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>What is the total cost, with tax and shipping? \$</i> <i>Is this budgeted?</i> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>Please Explain:</i> This was known when the 2024 budget was completed.		



December 19, 2023

This document constitutes a statement of work ("SOW") under the master service agreement ("MSA") dated November 11, 2022, or superseding MSA, made by and between CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") and Aitkin County, MN ("you," "your," or "the entity"). We are pleased to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services CLA will provide for the entity as of and for the year ended December 31, 2023.

Nonattest services

We will provide the following nonattest services:

CLA New Accounting Standard Assessment

- Provide preparation checklist(s) to assist with your adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs) and explain how it applies to the entity.
- Assist, at your direction, in interviewing your key team members.
- Analyze, evaluate and recommend how the SBITAs will be accounted for based on the selection of potential SBITAs provided by you.
- Assist with proposal of journal entries and drafting the related GASB Statement No. 96 financial statement disclosures.
- Provide to you sufficient information for you to oversee the services, evaluate the adequacy and results of the services; accept responsibility for the results of the services and ensure your data and records are complete.

Additional assistance

Upon your request, CLA shall make its resources available to provide additional assistance with implementing the new SBITA standard. This could include assisting you with your communications to the users of your financial statements or others, as identified by you, regarding how the standard will impact the entity and your financial statements. If requested, we can assist you with developing and delivering training on the new standards for selected members of the entity.

Client information requirements

The entity agrees it is solely responsible for the accuracy, completeness, and reliability of all of the entity's

data and information that it provides CLA for our engagement. The entity agrees it will provide any requested information on or before the date we commence performance of the services.

You agree that you are solely responsible for the accuracy, completeness, and reliability of all of your data and information that you provide CLA for our engagement and that CLA has no such responsibilities. We will provide you a data checklist of information required to complete the reports. You agree to have the vast majority of the requested information (data checklist) available as determined in the mutually agreed-upon timeline.

CLA’s responsibilities related to the nonattest services and the related limitations

CLA will not assume management responsibilities, perform management functions, or make management decisions on behalf of the entity. However, we will provide advice and recommendations to assist management in performing its responsibilities.

This engagement is limited to the nonattest services outlined above. CLA, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as assuming management responsibilities, making management decisions, or performing management functions, including approving journal entries. CLA will advise the entity with regard to positions taken in the performance of the nonattest services, but management must make all decisions with regard to those matters.

Our engagement cannot be relied upon to disclose errors, fraud, or noncompliance with laws and regulations. We have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement.

We have no responsibility to ensure the entity’s SBITA accounting practices, systems, or reports comply with applicable laws or regulations, all of which remain your sole responsibility.

Because the services listed above do not constitute an examination, audit, or review, we will not express an opinion or conclusion or issue a written report on your application of the requirements of GASB Statement No. 96 as it relates to contracts. You agree that our services are not intended to be used by a third party in reaching a decision on the application of the requirements of GASB Statement No. 96 to a specific transaction.

Management responsibilities

For all nonattest services we may provide to you, including these consulting services, you agree to assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services. You have designated Kathleen Ryan, Chief Financial Officer to fulfill this role. You will be solely responsible for making all decisions concerning the contents of our communications and reports, for the adoption of any plans, and for implementing any plans you may develop, including any that we may discuss with you. Management is responsible for the design, implementation, and maintenance of effective internal control over financial reporting and over compliance, including evaluating and monitoring ongoing activities, (1) relevant to the preparation and fair presentation of financial statements that are free from

material misstatement, (2) to prevent and detect fraud, and (3) to ensure that the entity complies with applicable laws and regulations. Management is responsible for ensuring that your data and records are complete and that you have received sufficient information to oversee the services.

Management also agrees to assume all management responsibilities related to determining, reviewing, and approving SBITA information and schedules and related journal entries.

Engagement administration and other matters

A list of information we expect to need for our engagement and the dates required will be provided in a separate communication.

Our relationship with you is limited to that described in this letter. As such, you understand and agree that we are acting solely as independent accountants. We are not acting in any way as a fiduciary or assuming any fiduciary responsibilities for you. We are not responsible for the preparation of any report to any governmental agency, or any other form, return, or report or for providing advice or any other service not specifically recited in this SOW.

CLA may, at times, utilize external web applications to receive and process information from our clients; however, it is not appropriate for you to upload protected health information using such applications. All protected health information contained in a document or file that you plan to transmit to us via a web application must be redacted by you to the maximum extent possible prior to uploading the document or file. In the event that you are unable to remove or obscure all protected health information, please contact us to discuss other potential options for transmitting the document or file.

Fees

Our professional fees will be billed based on the time involved and the degree of responsibility and skills required. We will also bill for expenses (including internal and administrative charges) plus a technology and client support fee of five percent (5%) of all professional fees billed.

In future periods when we are asked to update the SBITA information, we will charge professional and service fees based on the time involved in removing/adding SBITAs and producing new schedules and reports. The annual fee for maintaining SBITAs in our system will be evaluated and billed annually and will be based upon the number of SBITAs on that date or upon other modifications (additions or deletions).

Record retention

Our working papers, including any copies of your records that we chose to make, are our property and will be retained by us in accordance with our established records retention policy. This policy states, in general, that we will retain our working papers for a period of seven years. After this period expires, our working papers and files will be destroyed. Furthermore, physical deterioration or catastrophic events may shorten the time our records are available. The working papers and files of our firm are not a substitute for the entity's records.

Agreement

We appreciate the opportunity to be of service to you and believe this SOW accurately summarizes the significant terms of our engagement. This letter constitutes the entire agreement regarding these services

and supersedes all prior agreements (whether oral or written), understandings, negotiations, and discussions between you and CLA. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this SOW, please sign and date the SOW and return to us.

Sincerely,

CliftonLarsonAllen LLP

CLA

ORG: CLA

NAME: Kristen A. Houle

TITLE: Signing Director

SIGN: Kristen A Houle

DATE: 12/19/2023

Client

ORG: Aitkin County

NAME: _____

TITLE: _____

SIGN: _____

DATE: _____

ORG: Aitkin County

NAME: _____

TITLE: _____

SIGN: _____

DATE: _____

Acceptance and acknowledgement

On behalf of Aitkin County, MN, I acknowledge that the terms of this agreement accurately state our understanding with CLA, and Aitkin County, MN agrees to be bound by them.

Response

This letter correctly sets forth the understanding of Aitkin County, MN.