



**BOARD OF COMMISSIONERS**  
**Agenda Item Summary**

<b>Agenda Category:</b>	Agreement	<b>Item No:</b>
-------------------------	-----------	-----------------

**Date:** May 25, 2021

**Originating Department:** Klamath County Library Service District

**Issue:** In the matter of approving Amendment #1 to the Agreement between Moss Adams and Klamath County Library Service District.

**Background:** Klamath County Library Service District entered into an agreement with Moss Adams on June 26, 2018 to perform audit services. The contract expired following the June 30, 2020 audit, however, there is an option for two one-year renewals. This amendment updates the administrator from Sue Murphy to Vickie Noel and exercises one of the extensions to allow for Moss Adams to conduct the 2021 fiscal year audit.

**Fiscal Impact:** \$6,630.00 Expenditure to the Klamath County Library Service District Budget.

**Recommended Motion:** Approve and execute Amendment #1 to the Agreement between Moss Adams and Klamath County Library Service District. Fiscal Impact is \$6,630.00 expenditure to the Klamath County Library Service District Budget.

DONE AND DATED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
 Chair  
 Approved   
 Denied

\_\_\_\_\_  
 Vice-Chair  
 Approved   
 Denied

\_\_\_\_\_  
 Commissioner  
 Approved   
 Denied



**EXHIBIT 'A'**

For our clients, it's about more than the dollars you pay at the end of the day; it's about value. Consider both the tangible and intangible benefits of working with us. You'll get solid and timely deliverables. But more than that, the experience you'll have working with forward-thinking, industry-specialized professionals who work side by side with you to explore new possibilities is where you'll see the value. Invest in your future prosperity and experience a different style of service with us.

Service	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Audit of Klamath County Financial Statements	\$55,000	\$56,100	\$57,225	\$58,370	\$59,540
Single audit (for two major programs)*	\$10,500	\$10,710	\$10,920	\$11,125	\$11,350
Audit of Klamath County Treasurer's Investment Pool	\$6,250	\$6,375	\$6,500	\$6,630	\$6,760
Audit of Klamath County Employees' Pension Plan	\$6,250	\$6,375	\$6,500	\$6,630	\$6,760
Audit of Klamath County Librar Service District	\$6,250	\$6,375	\$6,500	\$6,630	\$6,760
Audit of Klamath County Extension Service District	\$6,250	\$6,375	\$6,500	\$6,630	\$6,760
Audit of Klamath County Drainage Service District	\$6,250	\$6,375	\$6,500	\$6,630	\$6,760
Landfill Agreed Upon Procedures	\$1,550	\$1,600	\$1,600	\$1,650	\$1,700
Estimated expenses including travel costs (none). We'll incur the cost of travel.	\$0	\$0	\$0	\$0	\$0
Newsletters, seminars, and webinars			Included		
Retention of working papers					
Attendance at audit committee meetings					
Management letter					
Communication of internal control matters					
<b>Total</b>	<b>\$98,300</b>	<b>\$100,285</b>	<b>\$102,245</b>	<b>\$104,295</b>	<b>\$106,390</b>

\*The single audit proposed fees in the table are based on two major programs requiring testing for single audit compliance each year. The fee for each additional grant requiring single audit compliance testing would be \$4,500 per major program for each year.

We believe we're providing the County with an exceptional value. You'll continue to receive substantial attention by seasoned partners, managers, and staff; timely results; and personalized service delivered in a way most aren't accustomed to finding in an accounting firm.



**BOARD OF COMMISSIONERS**  
**Agenda Item Summary**

<b>Agenda Category:</b> <b>AGREEMENTS</b>	<b>Item No:</b> 15.1
---	----------------------

**Originating Department:**           Klamath County Library Service District

6/26/18

**Issue:**            In the matter of approval of a contract between Klamath County and Moss Adams LLP for professional audit services of the Klamath County Library Service District for the fiscal years ending June 30, 2018, June 30, 2019, and June 30, 2020.

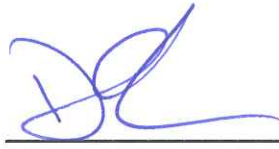
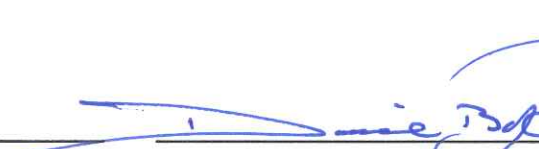
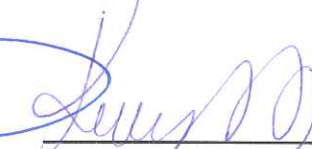
**Background:** Klamath County Library Service District is required to have an annual audit of its fiscal affairs. The proposal process has been completed with the Board of County Commissioners accepting the proposal for audit services from Moss Adams LLP on September 26, 2017. The term of the contract is for the annual audit of each of three fiscal years ending June 30, 2018, June 30, 2019, and June 30, 2020, with two optional one-year renewals. The contract currently being presented for signature is for the audit of Klamath County. The anticipated fees for the fiscal years of the contract are as follows:

**2018 - \$6,250; 2019 - \$6,375; 2020 - \$6,500**

**Fiscal Impact:** Klamath County Library Service District Operating Fund total expenditures of \$19,125 over the three year term of the initial contract (\$6,250 for fiscal year ending June 30, 2018).

**Recommended Motion:** Motion to approve the contract with Moss Adams LLP for audit services for fiscal years 2018, 2019, and 2020 with fiscal impact of \$19,125 for the full term of the initial contract (\$6,250 for fiscal year ending June 30, 2018).

DONE AND DATED this 26 day of June, 2018.

 <hr/> Chair Approved <input checked="" type="checkbox"/> Denied <input type="checkbox"/>	 <hr/> Vice-Chair Approved <input checked="" type="checkbox"/> Denied <input type="checkbox"/>	 <hr/> Commissioner Approved <input type="checkbox"/> Denied <input type="checkbox"/>
---	--	---

**KLAMATH COUNTY LIBRARY SERVICE DISTRICT  
CONTRACT FOR PROFESSIONAL SERVICES**

This Client Services Contract (Contract) is between the Klamath County Library Service District ("County") acting by and through the Klamath County Finance Department ("Department"), and Moss Adams LLP ("Contractor").

The Department's **Contract Administrator** for this Contract is: Sue Murphy, Finance Director  
Phone Number: 541-851-3653 Address: 305 Main Street, Klamath Falls, Oregon 97601

The Contractor's **Contract Administrator** for this Contract is: Amanda McCleary-Moore  
Phone Number: 541-857-1040 Address: 221 Stewart Avenue, Suite 301, Medford, Oregon 97501

1. **Services to be Provided.**

a. **Required Services.**

Deliverables and Delivery Schedule. Contractor shall provide, or cause to be provided, as an independent contractor and not as an agent of the County, auditing services, as specified in "Exhibit A", attached to and hereby made a part of this Contract.

b. **Special Requirements.**

i. **Confidentiality of Information.** The use or disclosure by any party of any information concerning a recipient of Services purchased under this Contract, for any purpose not directly connected with the administration of the Department's or the Contractor's responsibilities with respect to such purchased Services, is prohibited, except on written consent of the Department.

ii. **Client Records.** Contractor shall appropriately secure all records and files to prevent access by unauthorized persons. The Contractor shall, and shall require its employees and subcontractors to comply with all appropriate federal and state laws, rules and regulations regarding confidentiality of client records.

iii. **Media Disclosure.** The Contractor shall not provide information to the media regarding Services purchased under this Contract without first consulting the Department. The Contractor will make immediate contact with the Department's office when media contact occurs. The Department will assist the Contractor with an appropriate follow-up response for the media.

c. **Professional Standards.**

Contractor's services shall be in conformance with "Exhibit A," Government Audit Standards Terms.

d. **Term of Contract.**

i. **Initial Term.** The initial term of the Contract is for the annual audit of the three (3) fiscal years ending June 30, 2018, June 30, 2019 and June 30, 2020.

ii. **Extension.** Upon mutual consent the parties may extend the term of this Contract for two (2) additional one (1) year terms.

2. **Compensation.**

a. For services provided under this Contract, the Contractor shall be compensated in an amount not to exceed \$6,250, \$6,375 and \$6,500 for the fiscal years ending June 30, 2018, 2019 and 2020, respectively.

**KLAMATH COUNTY LIBRARY SERVICE DISTRICT  
CONTRACT FOR PROFESSIONAL SERVICES**

- b. In the event the Board of Commissioners of Klamath County reduces, changes, eliminates, or otherwise modifies the funding for this contract, or if funding from federal, state or other sources is not obtained and continued at levels sufficient to allow for the purchase of the indicated quantity of services, the County may terminate this contract, in whole or in part, effective upon delivery of written notice to the Contractor, or at such later date as may be established by the County, and Contractor agrees to abide by any such decision.

**3. Subcontracts, Assignment, Successors.**

- a. **Subcontracts.** Contractor shall not enter into any subcontracts for any Services required under this Contract without Department's prior written consent. In addition to any other provisions Department may require, Contractor shall include in any permitted subcontract provisions to ensure that Department will receive the benefit of subcontractor's performance as if the subcontractor were Contractor. Department's consent to any subcontract shall not relieve Contractor of any of its duties or obligations under this Contract.
- b. **Assignments.** Contractor shall not assign, delegate or transfer any of its rights or obligations under this Contract without Department's prior written consent. Department's written consent does not relieve Contractor of any obligations under this Contract, and any assignee, transferee, or delegate is considered Contractor's agent.
- c. **Successors.** The provisions of this Contract are binding upon, and inure to the benefit the parties and their respective successors and permitted assigns, if any.

**4. Ownership of Work Product.**

- a. All final audit reports and other completed deliverables prepared by the Contractor that result from this Contract and are delivered to the County, excluding any Contractor Material (defined below) contained or embodied therein (the "Work Product"), is the exclusive property of the County. The County and the Contractor agree that such Work Product be deemed "work made for hire" of which the Department be deemed the author. If for any reason the Work Product is not deemed "work made for hire," the Contractor hereby irrevocably assigns to the County all of its right, title, and interest in and to any and all of the Work Product, whether arising from copyright, patent, trademark, trade secret, or any other state or federal intellectual property law or doctrine. The Contractor shall execute such further documents and instruments as the Department, or both, may reasonably request in order to fully vest such rights in the County. The Contractor forever waives any and all rights related to the Work Product, including without limitation, any and all rights arising under 17 USC § 106A or any other rights of identification or authorship or rights of approval, restriction or limitation on use of subsequent modifications, except as otherwise set forth in this Contract.

Notwithstanding the foregoing, or anything to the contrary in this Contract, County may not modify or alter the Contractor's audit report or remove the identification of Contractor as auditor without Contractor's prior written consent. Contractor may retain a copy of Work Product for archival purposes.

- b. Contractor shall own its working papers and any engagement documentation and accounting-related general skills, know-how, expertise, ideas, concepts, methods, techniques, processes, software, materials or other intellectual property or information which may have been discovered, created, received, developed or derived by Contractor (collectively, "Contractor Materials"). The County shall have a non-exclusive, non-transferable license to use Contractor Materials for its own internal use and only for the purposes for which they are delivered to the extent they form part of a Work Product.

**KLAMATH COUNTY LIBRARY SERVICE DISTRICT  
CONTRACT FOR PROFESSIONAL SERVICES**

**5. Termination.**

- a. This Contract may be terminated by either party by giving written notice to the other party at least thirty (30) days prior to the termination date.
- b. The County reserves the right to terminate this Contract upon ten (10) days' notice should the Contractor fail to comply with the provisions of the Insurance section of this Contract.
- c. The County reserves the right to immediately terminate this Contract upon loss of licensure of Contractor.
- d. The County reserves the right to terminate this Contract with twenty-four (24) hours' notice should the County find the Contractor has failed to provide the agreed upon services in keeping with the conditions of this Contract, or relevant law, rule or regulation or has performed in a manner determined to have violated the civil rights of, or otherwise caused harm to, any individual serviced under this Contract.

**6. Amendments.**

This Contract may be amended to the extent permitted by applicable statutes and administrative rules. No waiver, consent, or amendment of terms of this Contract shall bind either party unless in writing and signed by County and Contractor, and all necessary approvals have been obtained. Waivers and consents shall be effective only in the specific instance and for the specific purpose given. The failure of County to enforce any provision of this Contract shall not constitute a waiver by County of that or any other provision.

**7. Access to Records.**

Klamath County, Department, and their duly authorized representatives shall have access to the Contractor's books, documents, papers and records pertinent to fees and expenses charged under this Contract for the purpose of making audit, examination, excerpts and transcripts.

**8. Copyright.**

The Contractor shall irrevocably transfer, assign, set over and convey to the County all rights, title, and interest, including the sole exclusive and complete copyright interest, in any and all copyrightable Work Product created pursuant to the Contract. The Contractor further agrees to execute such documents as the County may request to effect such transfer or assignment. Further, the Contractor agrees that the rights granted to the County by this paragraph/section are irrevocable. The Contractor's remedy in the event of termination of or dispute over any agreement entered into as a result of this solicitation shall not include any right to rescind, terminate, or otherwise revoke or invalidate in any way the rights conferred pursuant to the provisions of this paragraph/section. Similarly, no termination of any agreement entered into as a result of this solicitation shall have the effect of rescinding, terminating, or otherwise invalidating the rights acquired pursuant to the provisions of this paragraph/section.

**9. Report Standards.**

Reports or written material prepared by the Contractor in response to the requirements of this Contract shall be thoroughly researched for accuracy of content, shall be grammatically correct and not contain spelling errors, shall be submitted in a format approved in advance by the Contract Administrator, and shall be submitted in draft form for advance review and comment by the Contract Administrator. The cost of correcting grammatical errors, correcting reports data, or other revisions

**KLAMATH COUNTY LIBRARY SERVICE DISTRICT  
CONTRACT FOR PROFESSIONAL SERVICES**

required to bring the report or written material into compliance with the contractual requirements shall be borne by the Contractor.

**10. Compliance with Applicable Laws and Standards.**

- a. The Contractor shall comply with all federal, state and local laws, regulations, and ordinances applicable to this Contract or to the Contractor's obligations under this Contract, as those laws, regulations and ordinances may be adopted or amended from time to time.
- b. The Department's performance under this Contract is conditioned upon the Contractor's compliance with ORS 279B.220, 279B.225, 279B.230 and 279B.235. The Contractor shall, to the maximum extent economically feasible in the performance of this Contract, use recycled paper (as defined in ORS 279A.010(1)(ee)), recycled PETE products (as defined in ORS 279A.010(1)(ff)), and other recycled plastic resin products and recycled products (as "recycled product" is defined in ORS 279A.010(1)(gg)).
- c. Any violation of subsection (a.) of this section shall constitute a material breach of this Contract. Further, any failure of Contractor to comply with the tax laws of this state and the applicable tax laws of any political subdivision of this state also shall constitute a material breach of this Contract. Any violation shall entitle the County to terminate this Contract, to pursue and recover (to the extent permitted under applicable law) any and all damages that arise from the breach and the termination of this Contract, and to pursue any or all of the remedies available under this Contract, at law, or in equity, including but not limited to:
  - Termination of this Contract, in whole or in part;
  - Exercise of the right of setoff, and withholding of amounts otherwise due and owing to Contractor, in an amount equal to State's setoff right, without penalty; and
  - Initiation of an action or proceeding for damages, specific performance, declaratory or injunctive relief. The County shall be entitled to recover any and all damages (to the extent permitted under applicable law) suffered as the result of Contractor's breach of this Contract, including but not limited to direct, indirect, incidental and consequential damages, costs of cure, and costs incurred in securing the replacement Services/replacement Goods/a replacement Contractor.

**11. Independent Contractor; Responsibility for Taxes and Withholding.**

The Contractor shall perform all required Services as an independent contractor. Although the Department may (a) determine and modify the delivery schedule for Services to be performed and (b) evaluate the quality of the completed performance. The Contractor is responsible for determining the appropriate means and manner of performing any Services required under this Contract. The Contractor certifies, represents and warrants that the Contractor is an independent contractor of the County under all applicable state and federal law. The Contractor is not an "officer," "employee," or "agent" of the County as those terms are used in ORS 30.265.

**12. Indemnification.**

Contractor agrees to defend, indemnify and save County, its agents, officers and employees harmless from any and all losses, claims, actions, costs, expenses, judgments, subrogation or other damages resulting from injury to any person (including injury resulting in death), or damage (including loss or destruction) to tangible or real property, to the extent arising or resulting from the fault, negligence, wrongful act or wrongful omission of Contractor or its agents or employees.



**KLAMATH COUNTY LIBRARY SERVICE DISTRICT  
CONTRACT FOR PROFESSIONAL SERVICES**

13. **Insurance.**

- a. Contractor shall procure and maintain in force, for the entire duration of this Contract, insurance providing coverage for bodily injury and property damage which may arise out of the operations of the Contractor or its subcontractors, employees, agents, assigns or for anyone whose acts any of them may be liable. Such insurance shall have coverage limits equal to or greater than the minimum limits set forth herein.
- b. Contractor shall furnish to Klamath County an Acord 25-S or equivalent certificate of insurance evidencing the existence of all insurance coverage(s) required by this contract prior to the commencement of any work.
- c. Contractor shall endorse the Contractor General Liability (CGL) to include Klamath County as an “additional insured” (blanket endorsement acceptable, including coverage for products and completed operations, and a copy of this endorsement shall accompany each certificate.
- d. **Notice of Cancellation or Change.** There shall be no cancellation, material change, reduction of limits or intent not to renew the insurance coverage(s) without 30 days’ written notice from the Contractor or its insurer(s) to the County.
- e. Contractor’s insurance shall be primary and not excess to, or contributory with any insurance coverage provided by Klamath County.
- f. CGL coverage, including products and completed operations coverage, shall be maintained from the date work commences until two years after the work has been completed.
- g. If the work required by this contract or the location of the work specified in this contract constitutes an exposure to the employees of the contractor or his subcontractors under the U.S. Longshoremen and harbor Workers Act, The Jones Act, or under any laws, regulations or statutes that apply to maritime workers, the contractor shall ensure that proper coverage is purchased and maintained.
- h. Contractor and all Subcontractors shall endorse the Worker’s Compensation coverage to provide a “waiver of subrogation” in favor of Klamath County when available.
- i. Klamath County will waive the required Worker’s Compensation (WC) coverage if the Contractor submits a letter, on official letter head, stating they agree that they will obtain WC coverage immediately upon utilizing volunteers or hiring any employees during the period of the contract.
- j. Klamath County will waive the required Auto Liability coverage if the Contractor submits a letter, on official letter head, stating absolutely no driving will be done related to the contract and that they will obtain Auto Liability coverage in advance if they travel in any way in support of the contract, i.e. training our staff, meetings to implement, etc.
- k. Contractor shall provide the County with a renewal certificate upon request, preferably at least thirty (30) days prior to the expiration date of the coverage in the event that the original certificate expires prior to the scheduled termination of the Contract.

❖ **Professional Services Contracts:**

Contracts should have the following, which may be met in combination with umbrella coverage:

- General Liability
  - Each Occurrence \$2,000,000
  - Aggregate \$4,000,000

**KLAMATH COUNTY LIBRARY SERVICE DISTRICT  
CONTRACT FOR PROFESSIONAL SERVICES**

- Operations \$2,000,000
  - Products and Completed
- Personal/Advertising Injury \$2,000,000
- Auto Liability
  - Combined Single \$2,000,000
- Workers' Compensation
  - Statutory Limits
  - Employers Liability
    - \$1,000,000
  - Indemnity Clause.

❖ **Professional Liability Coverage.**

Professional Liability Coverage covering any damages caused by an error, omission or any negligent or wrongful acts related to the services to be provided under this Contract. Per claim (for all claimants for claims arising out of a single accident or occurrence) in the amount of \$2,000,000 and \$4,000,000 professional aggregate.

14. **No Third Party Beneficiaries.**

The County and the Contractor are the only parties to this Contract and are the only parties entitled to enforce its terms. Nothing in this Contract gives, is intended to give, or shall be construed to give or provide any benefit or right, whether directly, indirectly or otherwise, to third persons unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of the terms of this Contract.

15. **Merger.**

This Contract constitutes the entire agreement between the parties, and there are no understandings, agreements, or representations, oral or written, not specified herein regarding this Contract.

16. **Health Insurance Portability and Accountability Act.**

- a. If the Services funded in whole or in part with financial assistance provided under this Contract are covered by the Health Insurance Portability and Accountability Act or the federal regulations implementing the Act (collectively referred to as HIPAA), Contractor agrees to deliver the Services in compliance with HIPAA. Without limiting the generality of the foregoing, Services funded in whole or in part with financial assistance provided under this Contract are covered by HIPAA. Contractor shall comply and cause all Providers to comply with the following:

b. **Privacy and Security of Individually Identifiable Health Information.**

Individually Identifiable Health Information about specific individuals is confidential. Individually Identifiable Health Information relating to specific individuals may be exchanged between Contractor and County for purposes directly related to the provision of services to County. However, Contractor shall not use or disclose any Individually Identifiable Health Information about specific individuals in a manner that would violate HIPAA, the Oregon Privacy Rules, OAR 410-014-0000 et. Seq.

17. **Events of Breach.**

- a. **Breach by Contractor.** Contractor breaches this Contract if:

**KLAMATH COUNTY LIBRARY SERVICE DISTRICT  
CONTRACT FOR PROFESSIONAL SERVICES**

- i. Contractor institutes or has instituted against it insolvency, receivership or bankruptcy proceedings, makes an assignment for the benefit of creditors, or ceases doing business on a regular basis;
- ii. Contractor no longer holds a license or certificate that is required for Contractor to perform its obligations under this Contract and Contractor has not obtained the license or certificate within fourteen (14) calendar days after Department delivers notice of breach to Contractor or a longer period as Department may specify in the notice; or
- iii. Contractor commits any material breach of any covenant, warranty, obligation or certification under this Contract, fails to perform its obligations under this Contract within the time specified or any extension of that time, and Contractor fails to cure the breach within fourteen (14) calendar days after Department delivers notice of breach to Contractor or a longer period as Department may specify in the notice.
- iv. Contractor is in breach or default in any other contracts or agreements with the County.

b. **Breach by County.** County breaches this Contract if:

- i. County fails to pay Contractor any amount pursuant to the terms of this Contract, and County fails to cure its failure to pay within fourteen (14) calendar days after Contractor delivers notice of breach to County or a longer period as Contractor may specify in the notice; or
- ii. County commits any material breach of any covenant, warranty, or obligation under this Contract, fails to perform its obligations hereunder within the time specified or any extension thereof, and County fails to cure the breach within fourteen (14) calendar days after Contractor delivers notice of breach to County or a longer period as Contractor may specify in the notice.

18. **Remedies.**

a. **County's Remedies.**

If Contractor is in breach, then in addition to the remedies afforded elsewhere in this Contract, County shall be entitled to recover any and all damages suffered as the result of Contractor's breach of this Contract (to the extent permitted under applicable law), including but not limited to direct, indirect, incidental and consequential damages. County may, at Department's option, pursue any or all of the remedies available under this Contract and at law or in equity, including, but not limited to:

- i. Termination of this Contract;
- ii. Withholding payment of all amounts in Contractor's invoices for Services that Contractor is obligated to but has failed to deliver or perform within any scheduled completion dates or has performed inadequately or defectively;
- iii. Initiation of an action or proceeding for damages, specific performance, declaratory or injunctive relief;
- iv. Exercise of the right of setoff, and withholding of amounts otherwise due and owing to Contractor in an amount equal to County's setoff right, without penalty.
- v. These remedies are cumulative to the extent the remedies are not inconsistent, and County may pursue any remedy or remedies singly, collectively, successively or in any order whatsoever. If it is determined for any reason that Contractor was not in breach, the rights and obligations of the parties shall be the same as if this Contract was terminated pursuant to section 18.b.

b. **Contractor's Remedies.**

**KLAMATH COUNTY LIBRARY SERVICE DISTRICT  
CONTRACT FOR PROFESSIONAL SERVICES**

If County is in breach of this Contract, Contractor's sole remedy is one of the following, as applicable:

- i. For Services compensable on an hourly basis, a claim against County for unpaid invoices, hours worked but not yet invoiced, and authorized expenses for Services completed and accepted by Department less any claims County has against Contractor.
  - ii. For deliverable-based Services, a claim against County for the sum designated for completing the deliverable multiplied by the percentage of Services completed and accepted by Department, less previous amounts paid and any claims County has against Contractor.
- c. If previous amounts paid to Contractor for Services and Goods exceed the amount due to Contractor, Contractor shall pay the excess amount to County immediately upon written demand.

**19. Severability.**

The parties agree that if any term or provision of this Contract is declared by a court or competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Contract did not contain the particular term or provision held to be invalid.

**20. Attorney Fees.**

In the event suit or action is instituted to enforce any of the terms of this Contract, each party shall be responsible for its own attorney fees costs and related expenses.

**21. Notices.**

Any notice required to be given pursuant to this Contract shall be in writing and may be given by personal delivery or by registered or certified mail, addressed to County or Contractor at the address provided in this Contract, or to either party in any other manner prescribed by law.

**22. Conflict of interest.**

- a. Klamath County desires to have the Contractor refrain from activities which could be interpreted as creating an organizational conflict of interest.
- b. The Contractor agrees to avoid any activities which may influence the decisions of Klamath County or which directly or indirectly affect the interest of the County where the Contractor has a personal interest in the matter which may be incompatible with the interest of Klamath County Government, and to promptly notify County regarding any change in Contractor's private interests or the Services under this Agreement which may result or appear to result in a conflict of interest.

**KLAMATH COUNTY LIBRARY SERVICE DISTRICT  
CONTRACT FOR PROFESSIONAL SERVICES**

**CONTRACTORS CERTIFICATIONS AND SIGNATURE OF AUTHORIZED REPRESENTATIVE**

**1. Residency Statement**

Pursuant to ORS 279A.120, Oregon's Reciprocal Preference Law, public contracting agencies shall, for the purposes of determining the lowest responsible bidder/proposer and the awarding of a contract, add a percent increase on the bid of a non-resident bidder/proposer equal to the percent, if any, of the preference given to that bidder/proposer in the state in which the bidder/proposer resides.

As defined in ORS 279A.120, "Resident Bidder/proposer" means a bidder/proposer that has paid unemployment taxes or income taxes in this state in the twelve calendar months immediately preceding submission of the bid, has a business address in this state, and has stated in the bid whether the bidder/proposer is a "Resident Bidder/proposer". A "Non-resident Bidder/proposer" is a bidder/proposer who does not meet the definition of a "Resident Bidder/proposer" as stated above.

Bidder/Proposer is a "Resident Bidder/proposer" as set forth above.

**2. Non-Discrimination**

To the best of the undersigned's knowledge, Contractor has not discriminated against and will not discriminate against minority, women or emerging small business enterprises or against a business enterprise that is owned or controlled by or that employs a disabled veteran certified under ORS 279A.110 in obtaining any required subcontracts.

**3. Compliance with Oregon Tax Laws**

The undersigned is authorized to act on behalf of Contractor and that Contractor is, to the best of the undersigned's knowledge, not in violation of any Oregon Tax Laws. For purposes of this certification, "Oregon Tax Laws" means a County tax imposed by ORS 320.005 to 320.150 and 403-200 to 403.250, ORS Chapters 118 (Inheritance Tax), 314 (Income Tax), 316 (Personal Income Tax), 317 (Corporation Excise Tax), 318 (Corporation Income Tax), 320 (Amusement Device and Transient Lodging Taxes), 321 (Timber and Forestland Tax), 323 (Cigarettes and Tobacco Products Tax), and the elderly rental assistance program under ORS 310.630 to 310.706; and any local taxes administered by the Department of Revenue under ORS 305.620.

**4. Authorization**

The undersigned certifies under penalty of perjury both individually and on behalf of Contractor that: The undersigned is a duly authorized representative of Contractor, has been authorized by Contractor to make all representations, attestations, and certifications contained in this Contract and to execute this Contract on behalf of Contractor.

**KLAMATH COUNTY LIBRARY SERVICE DISTRICT  
CONTRACT FOR PROFESSIONAL SERVICES**

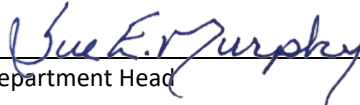
**Independent Contractor Certification Statement**  
[as required by OAR 125-246-0333]

Klamath County Departmental Certification

In order to comply with the provisions of ORS 670.600, an individual or business entity performing labor or services for remuneration shall be considered to perform the labor or services as an "Independent Contractor" if the following standards are met:

1. The individual or business entity providing the labor or services is free from direction and control over the means and manner of providing the labor or services, subject only to the right of the person for whom the labor or services are provided to specify the desired results;
2. The individual or business entity providing the labor or services is responsible for obtaining all assumed business registrations or professional occupational licenses required by state law or local government ordinance for the individual or business to conduct the business;
3. The individual or business entity providing labor or services furnishes the tools or equipment necessary for the performance of the contracted labor or services;
4. The individual or business entity providing labor or services has the authority to hire and fire employees to perform the labor or services;
5. Payment for the labor or services is made upon completion of the performance of specific portions of the project or is made on the basis of an annual or periodic retainer.

In hereby certify that the contracted work or intended contracted work meets these standard.

  
Department Head \_\_\_\_\_ Date June 5, 2018

**(Contractor/Proposed Contractor is to complete the next page)**

**KLAMATH COUNTY LIBRARY SERVICE DISTRICT  
CONTRACT FOR PROFESSIONAL SERVICES**

---

To establish status as an “independent contractor” as defined in ORS 670.600, certain standards must be met by the individual or business entity performing that work.

The undersigned certifies that he/she/the business entity meets the following standards:

1. The individual or business entity providing labor or services is registered under ORS Chapter 701, “construction Contractors”, if the individual or business entity provides labor or services for which such registration is required; and,
2. Federal and state income tax returns in the name of the business or business Schedule C or farm Schedule F as part of the person income tax return were filed for the previous year if the individual or business entity performed labor or services as an independent contractor in the previous year; and,
3. The individual or business entity represents to the public that the labor or services are to be provided by an independently established business. Except when individual or business entity files a Schedule F as part of the person income tax returns and the individual or business entity performs farm labor or services that are reportable on Schedule C, an individual or business entity is considered to be engaged in an independently established business when four or more of the following circumstances exist.

Contractor is to check four or more of the following:

- ✓ The labor or services are primarily carried out at a location that is separate from the residence of an individual who performs the labor or services, or are primarily carried out in a specific portion of the residence, which portion is set aside as the location of the business;
- ✓ Commercial advertising or business cards are customary in operating similar businesses, are for the business, or the individual or business entity has a trade association membership;
- ✓ Telephone listing and service are used for the business that is separate from the personal residence listing and service used by an individual who performs the labor or service;
- ✓ Labor or services are performed only pursuant to written contracts.
- ✓ Labor or services are performed for two or more different persons within a period of one year; or,
- ✓ The individual or business entity assumes financial responsibility for defective workmanship or for service not provided as evidenced by the ownership or performance bonds, warranties, errors and omission insurance or liability insurance relating to the labor or services to be performed.

**KLAMATH COUNTY LIBRARY SERVICE DISTRICT  
CONTRACT FOR PROFESSIONAL SERVICES**

Contract for Professional Audit Services between Klamath County Library Service District  
and Moss Adams LLP - for the term  
beginning September 26, 2017 through December 31, 2020.

**CONTRACTOR:**

Amanda McCleary-Moore, for  
Moss Adams LLP  
221 Stewart Ave. Suite 301  
Medford, OR 97401  
Phone: (541) 857-1040

Signature: Amanda McCleary-Moore

Printed or Typed Name: Amanda McCleary-Moore

Federal I.D. # 91-0189318

Date: June 1, 2018

**KLAMATH COUNTY BOARD of COMMISSIONERS:**

305 Main Street  
Klamath Falls, OR 97601  
(541) 883-5100

Approved this 1<sup>st</sup> day of June, 2018

[Signature]  
Chairman

[Signature]  
Commissioner

[Signature]  
Commissioner

**APPROVED AS TO FORM AND LEGAL SUFFICIENCY:**

[Signature]  
Klamath County Counsel



**KLAMATH COUNTY LIBRARY SERVICE DISTRICT  
CONTRACT FOR PROFESSIONAL SERVICES**

**EXHIBIT A**

**Audit - Government Auditing Standards (no compliance audit)**

**Scope of Services**

In this engagement, we will perform the following services as of and for the years ending June 30, 2018, June 30, 2019, and June 30 2020, with possibility for two additional one-year terms upon mutual agreement of the parties.

1. Audit the financial statements of the County.
2. Report on the Minimum Standards for Audits of Oregon Municipal Corporations prescribed by the Secretary of State.
3. Technical review of the County prepared Comprehensive Annual Financial Report (CAFR) for compliance with generally accepted accounting principles and requirements of the GFOA Certificate of Excellence Program, if applicable.

Amanda McCleary-Moore is responsible for supervising the engagement and authorizing the signing of our reports.

**Objectives of the Audit**

The objective of our audit is the expression of an opinion about whether your financial statements and supplementary information are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the additional information referred to herein when considered in relation to the financial statements taken as a whole. The objective also includes reporting on internal control related to the financial statements and compliance with applicable laws, regulations, contracts, and grants, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

The report on internal control and compliance will include a statement that the report is intended for the information and use of the audit committee, management, specific legislative or regulatory bodies, federal awarding agencies, and if applicable, pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Our audit will be conducted in accordance with U.S. generally accepted auditing standards; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and other procedures we consider necessary to enable us to express such an opinion and to render the required reports. If our opinion on the financial statements is other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

**Procedures and Limitations**

Our procedures may include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of certain receivables and certain other assets, liabilities and transaction details by correspondence with selected customers, creditors, and financial institutions. We may also request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. The supplementary information will be subject to certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves. At the conclusion of our audit, we will require certain written representations from management about the financial statements and supplementary information and related matters. Management's failure to provide representations to our satisfaction will preclude us from issuing our report.

**KLAMATH COUNTY LIBRARY SERVICE DISTRICT  
CONTRACT FOR PROFESSIONAL SERVICES**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Also, we will plan and perform the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. Such material misstatements may include errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity that may have a direct financial statement impact. Pursuant to Government Auditing Standards, we will not provide reasonable assurance of detecting abuse.

A risk exists that we may not detect material misstatements or noncompliance because (a) an audit is designed to provide reasonable, rather than absolute, assurance the financial statements are free of material misstatement, (b) we will not perform a detailed examination of all transactions as such is cost prohibitive, and (c) an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations and the provisions of contracts and grant agreements that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors, fraudulent financial reporting or misappropriation of assets, and violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will also inform you of any other conditions or other matters involving internal control, if any, as required by Government Auditing Standards. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any time period for which we are not engaged as auditors.

Our audit will include obtaining an understanding of the County and its environment, including its internal control sufficient to assess the risks of material misstatements of the financial statements whether due to error or fraud and to design the nature, timing, and extent of further audit procedures to be performed. An audit is not designed to provide assurance on internal control or to identify deficiencies in the design or operation of internal control and accordingly, no opinion will be expressed in our report on internal control issued pursuant to Government Auditing Standards. However, if, during the audit, we become aware of any matters involving internal control or its operation that we consider to be significant deficiencies under standards established by the American Institute of Certified Public Accountants, we will communicate them in writing to management and those charged with governance. We will also identify if we consider any significant deficiency, or combination of significant deficiencies, to be a material weakness.

We may assist management in the preparation of the County's financial statements and supplementary information. Regardless of any assistance we may render, all information included in the financial statements and supplementary information remains the representation of management. We may issue a preliminary draft of the financial statements and supplementary information to you for your review. Any preliminary draft financial statements and supplementary information should not be relied upon, reproduced or otherwise distributed without the written consent of Moss Adams.

**Your Responsibility for Financial Statements**

You are responsible for establishing and maintaining internal control and for compliance with applicable laws, regulations, contracts and grants. In fulfilling this responsibility, the County is required to assess the expected benefits and related costs of the controls. The objectives of internal control are to provide the County with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorizations and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that federal award programs are managed in compliance with applicable laws, regulations, contracts and grants.

You are responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. We may advise you about appropriate accounting principles and their application and will assist in the preparation of your financial statements, but you are responsible for the financial statements. This responsibility includes the establishment and maintenance of adequate records and effective internal control over financial reporting, the selection and application of accounting principles, and the safeguarding of assets.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the County involving: (a) management, (b)

**KLAMATH COUNTY LIBRARY SERVICE DISTRICT  
CONTRACT FOR PROFESSIONAL SERVICES**

employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements. You are responsible for informing us of your knowledge of any allegations of fraud or suspected fraud affecting the County received in communications from employees, former employees, regulators or others. In addition, you are responsible for identifying and ensuring that you comply with applicable laws and regulations and for taking timely and appropriate steps to remedy any fraud, illegal acts, or violations of contracts or grants that we may report.

You are responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. You are also responsible for identifying and ensuring that the County complies with applicable laws and regulations.

As part of the audit, we may prepare a draft of your financial statements, supplementary schedules, and related notes. In accordance with Government Auditing Standards, you will be required to review, approve and take responsibility for those financial statements prior to their issuance. Further, you are required to designate a qualified management-level individual to be responsible and accountable for overseeing our services.

You agree that as a condition of our engagement you will provide us, in a timely and orderly way, with information in your possession that we request or that has a material impact on the nature or characterization of any material transaction to complete our engagement and that information will be, to the best of your knowledge and belief, truthful and accurate.

#### **Your Responsibility for Supplementary Information**

You are responsible for the preparation of the supplementary information in accordance with the applicable criteria. You agree to include the auditor's report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information. You are responsible to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon. For purposes of this Agreement, audited financial statements are deemed to be readily available if a third party user can obtain the audited financial statements without any further action by you. For example, financial statements on your Web site may be considered readily available, but being available upon request is not considered readily available.

#### **Dissemination of Financial Statements**

Our report on the financial statements should be associated only with the financial statements that were the subject of our engagement. You may make copies of our report, but only if the entire financial statements (including related footnotes and supplemental information, as appropriate) are reproduced and distributed with our report. Our report should not be reproduced and associated with any other financial statements, or portions thereof, that are not the subject of this engagement.

#### **Offering of Securities**

We are under no obligation to re-issue our report or provide written permission for the use of our report at a later date in connection with an offering of securities, the issuance of debt instruments or for any other circumstance. The determination of whether or not we will re-issue our report or provide written permission for the use of our report is solely the responsibility of Moss Adams, and will be made only after we have conducted any due diligence we deem necessary in the circumstances. Accordingly, if we decide not to re-issue our report or written permission to the use of our report, it is possible that you may be required to engage another firm to audit periods covered by our audit reports, and those firms will likely bill you for their services. While the successor auditor may request access to our working papers for those periods, we are under no obligation to permit such access.

The services outlined in this Agreement do not contemplate the requirements of Moss Adams or an underwriter or its lawyer in connection with the offering of securities, whether registered or exempt from registration.

**KLAMATH COUNTY LIBRARY SERVICE DISTRICT  
CONTRACT FOR PROFESSIONAL SERVICES**

Should we agree to re-issue our report or provide written permission to the use of our report, we require that Moss Adams be included on each distribution of draft offering materials and that we receive a complete set of final documents. We expect adequate time to review documents where our report is requested to be reissued, or referred to, or reference to our firm as "Experts" is expected to be made. We will attempt to respond quickly in order to keep to timetables as required and will not unreasonably withhold our opinion or written permission pending satisfaction of our own due diligence and completion of required subsequent events procedures.

**Changes in Professional or Accounting Standards**

To the extent that future federal, state, or professional rule-making activities require modification of our audit approach, procedures, scope of work, etc., we will advise you of such changes and the impact on our fee estimate. If we are unable to agree on the additional fees, if any, that may be required to implement any new accounting and auditing standards that are required to be adopted and applied as part of our engagement, we reserve the right to withdraw from the engagement, regardless of the stage of completion.

**Representations of Management**

During the course of our engagement, we may request information and explanations from management regarding, among other matters, your operations, internal controls, future plans, specific transactions, and accounting systems and procedures. At the conclusion of our engagement, we will require, as a precondition to the issuance of our report, that management reconfirm some or all of the representations made in a written representation letter. While we may assist you in the preparation of this letter, management is responsible and required to carefully review and verify the substance, accuracy and completeness of the representations included in the management representation letter. The procedures that we will perform in our engagement will be heavily influenced by the representations that we receive from management. Accordingly, false representations could cause us to expend unnecessary efforts or could cause a material error or fraud to go undetected by our procedures. In view of the foregoing, you agree that we will not be responsible for any misstatements in your financial statements and supplementary information that we shall fail to detect as a result of false or misleading representations that are made to us by your management.

In addition, because our failure to detect material misstatements could cause others relying upon our audit report to incur damages, you further agree to indemnify and hold us harmless from any liability and all costs (including legal fees) that we may incur in connection with claims based upon our failure to detect material misstatements in the your financial statements and supplementary information resulting from false or misleading representations made to us by any member of your management.

**Use of Nonlicensed Personnel**

Certain engagement personnel who are not licensed as certified public accountants may provide services during this engagement.