

**SILICON VALLEY
ANIMAL CONTROL AUTHORITY**

AGENDA ITEM

Moss Adams LLP

RECOMMENDED MOTION

That the service contract with Moss Adams LLP for accounting services for FY 2018-19 be received and filed.

DISCUSSION

Moss Adams LLP formerly Mohler, Nixon & Williams has provided accounting services since 2003.

DOCUMENTS ATTACHED

Copy of engagement letter

FISCAL IMPACT

\$13,700 from 2018-19 Operating Budget for all accounting services

NONATTEST SERVICES - ACCOUNTING SERVICES ENGAGEMENT LETTER

March 27, 2018



MOSSADAMS

Ms. Heidi Springer
Silicon Valley Animal Control Authority

Re: Nonattest Accounting Services

Dear Heidi:

Thank you for the opportunity to provide accounting services to Silicon Valley Animal Control Authority. This engagement letter ("Engagement Letter") and the attached Professional Services Agreement, which is incorporated by this reference (collectively, the "Agreement"), confirm our understanding of the terms and objectives of our engagement, and limitations of the services that Moss Adams LLP ("Moss Adams," "we," "us," and "our") will provide to Silicon Valley Animal Control Authority ("you," "your," and "Company") for 2018.

Scope of Services

Accounting Services

- 1) As needed QuickBooks accounting assistance.
- 2) Prepare monthly fixed asset depreciation schedule.
- 3) June Fiscal year end audit support (Preparing audit reports for fixed assets and depreciation)

We are not being engaged to prepare, compile, review, or audit the financial statements of the Company.

Larry Kammerer is responsible for supervising the engagement.

Limitations

Moss Adams has no responsibility for the services any third party provider ("Provider") may provide to you, including, but not limited to, any software service Provider. This includes, but is not limited to, whether (a) the results of the Provider's services meet applicable contractual and/or legal standards; (b) the Provider makes available to you any data submitted to the Provider; (c) the Provider maintains the necessary administrative, technical, or physical safeguards to protect the security and confidentiality of data submitted to the Provider; or (d) the Provider actually maintains the security and confidentiality of any data submitted to the Provider.

The services contemplated by this Agreement cannot be relied on to identify, detect or disclose errors, fraud, or other illegal acts that may exist, including, but not limited to, any errors or fraud involving the Company's check register or bank accounts, financial statement misstatements or any wrongdoing within the entity or noncompliance with laws and regulations. We are not required to, and will not,

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Campbell, CA 95008

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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. In addition, we have no responsibility to identify and communicate significant deficiencies or material weaknesses in your internal control as part of this engagement. Finally, while we will assist you with journal entries and year-end reconciliations, the Company will be responsible for reviewing and approving all financial data.

Fees

Our fees will be based on the experience of the individuals involved and the amount of work performed. You will also be billed for expenses.

Additional Services

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 of the additional services and the estimated fees. It is our practice to issue a separate agreement covering additional services. However, absent such a separate agreement, all services we provide you shall be subject to the terms and conditions in the Professional Services Agreement.

We appreciate the opportunity to be of service to you. If you agree with the terms of our engagement as set forth in this Agreement, please sign the enclosed copy of this letter and return it to us with the Professional Services Agreement.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Larry Kammerer'.


Larry Kammerer, for
Moss Adams LLP

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ACCEPTED AND AGREED:

This Engagement Letter and the attached Professional Services Agreement set forth the entire understanding of Silicon Valley Animal Control Authority with respect to this engagement and the services to be provided by Moss Adams LLP:

Signature: 
Print Name: Heidi Springer
Title: Executive Director
Date: 3/29/18

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This Professional Services Agreement (the "PSA") together with the Engagement Letter, which is hereby incorporated by reference (collectively the "Agreement"), represents the terms and conditions relating to services to be provided to you by Moss Adams. Terms not defined herein shall have the same meaning as set forth in the Engagement Letter.

Procedures and Limitations

Nonattest accounting services differs significantly from and is substantially less in scope than a preparation, compilation, review or an audit of financial statements. Our services are not an attest service and we do not contemplate performing inquiry, analytical procedures, or other procedures performed in a review. Additionally, our services do not contemplate: (a) obtaining an understanding of the Company's internal control, (b) assessing fraud risk, (c) testing accounting records by obtaining sufficient appropriate audit evidence through inspection, observation, confirmation, or the examination of source documents, or (d) other procedures ordinarily performed in an audit or review engagement. We are not required to, and will not, verify the accuracy or completeness of the information you 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 nor provide any assurance on your accounting records or financial statements.

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 Company or noncompliance with laws and regulations. You agree we have no responsibility to identify and communicate significant deficiencies or material weaknesses in your internal controls as part of this engagement.

As a result of this engagement, Moss Adams assumes no responsibility to provide you with assurance about whether your accounting records or financial statements are free of material misstatement, whether from 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.

We will provide the nonattest accounting services identified, however all information included in your accounting records and financial statements remains the representation of management. We may perform data entry and provide analyses, schedules, reconciliations and journal entries to you for your review. However, these items and the results of our services should not be relied upon, reproduced or otherwise distributed without the written permission of Moss Adams.

Management's Responsibility

You are responsible for making all financial records and related information, including documents, explanations, and other information, available to us and for the accuracy and completeness of that information, including significant judgments used in the preparation of your financial statements, and the selection of the financial reporting framework to be applied in the preparation of your financial statements.

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You are also responsible for the fair presentation of the financial statements in accordance with the applicable financial reporting framework. You are responsible for the inclusion of all informative disclosures that are appropriate for the applicable financial reporting framework used to prepare your financial statements. We may advise you about appropriate accounting principles and their application but you are responsible for your accounting records and financial statements. You are also responsible for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of accounting records and financial statements that are free from material misstatement, whether due to fraud or error. You are responsible for preventing and detecting fraud, and for the safeguarding of assets. You are responsible for adjusting your accounting records and financial statements to correct any misstatements. You are also responsible for identifying and ensuring that the Company complies with applicable laws and regulations.

You agree that as a condition of our engagement you will provide us, in a timely and orderly way, all information of which you are aware that is relevant to the nonattest accounting services identified. This includes all records, documentation, and other matters, and additional information that we may request from you for the purpose of our engagement, and all such information will be, to the best of your knowledge and belief, truthful and accurate. You agree that you will provide us with unrestricted access to persons within the Company of whom we determine it necessary to perform this engagement.

You accept the responsibilities set forth below regarding the engagement:

- Assume all management responsibilities
- Oversee the service, by designating an individual, preferably within senior management who possesses skill, knowledge, and/or experience to oversee the nonattest services. The individual is not required to possess the expertise to perform or reperform the services.
- Evaluate the adequacy and results of the services performed.
- Accept responsibility for the results of the services performed.

It is our understanding that Heidi Springer has been designated by the Company to oversee the services outlined in this Agreement and that in the opinion of the Company is qualified to do so.

We will not make management decisions or perform management functions, such as authorizing or consummating transactions. We may, however, advise and train your staff in these areas. If any issues or concerns in this area arise during the course of our engagement, we will discuss them with you prior to continuing with the engagement.

Changes in Professional or Accounting Standards

To the extent that future federal, state or professional rule-making activities require modification of our nonattest accounting services, 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 standards that are required to be adopted and applied as part of our engagement, we

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may terminate this Agreement as provided herein, regardless of the stage of completion.

Fees and Expenses

The Company acknowledges that the following circumstances will result in an increase of our fees:

- Failure to adequately prepare for the engagement;
- Failure to complete the preparation work by the applicable due dates;
- An excessive number of adjustments;
- Significant unanticipated transactions, accounting issues, or other such circumstances;
- Delays causing scheduling changes or disruption work;
- Circumstances requiring revisions to work previously completed or delays in resolution of issues that extend the period of time necessary to complete the engagement;
- Issues with the prior accounting firm, prior year account balances or other matters that impact the current year engagement.

We will endeavor to advise you in the event these circumstances occur, however we may be unable to determine the impact on the estimated fee until the conclusion of the engagement. We will bill any additional amounts based on the experience of the individuals involved and the amount of work performed.

Billings are due upon presentation and become delinquent if not paid within 30 days of the invoice date. Any past due fee under this Agreement shall bear interest at the highest rate allowed by law on any unpaid balance. In addition to fees, you may be billed for expenses and any applicable sales and gross receipts tax. Direct expenses may be charged based on out-of-pocket expenditures, per diem allotments, and mileage reimbursements, depending on the nature of the expense. Indirect expenses, such as processing and copying, are passed through at our estimated clerical and equipment cost and may be charged as a flat fee. If we elect to suspend our engagement for nonpayment, we may not resume our work until the account is paid in full. If we elect to terminate our services for nonpayment, or as otherwise provided in this Agreement, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our work. You will be obligated to compensate us for fees earned for services rendered and to reimburse us for expenses. You acknowledge and agree that in the event we stop work or terminate this Agreement as a result of your failure to pay on a timely basis for services rendered by Moss Adams as provided in this Agreement, or if we terminate this Agreement for any other reason, we shall not be liable to you for any damages that occur as a result of our ceasing to render services.

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Limitation on Liability

YOU AGREE THAT MOSS ADAMS' TOTAL LIABILITY FOR ANY AND ALL DAMAGES WHATSOEVER ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT FROM ANY CAUSE, INCLUDING BUT NOT LIMITED TO CONTRACT LIABILITY OR MOSS ADAMS' NEGLIGENCE, ERRORS, OMISSIONS, STRICT LIABILITY, BREACH OF CONTRACT OR BREACH OF WARRANTY SHALL NOT, IN THE AGGREGATE, EXCEED THE FEES PAID TO MOSS ADAMS UNDER THIS AGREEMENT.

IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY SPECIAL, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH OR OTHERWISE ARISING OUT OF THIS AGREEMENT, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR EXEMPLARY OR PUNITIVE DAMAGES ARISING OUT OF OR RELATED TO THIS AGREEMENT.

Indemnity

You will indemnify and hold harmless Moss Adams and its employees (Indemnified Persons) from any and all liabilities and expenses, including reasonable attorney's fees, arising out of any action by a third party related to this engagement and will assume the defense thereof with counsel suitable to Moss Adams. No employee of Moss Adams or Indemnified Person shall be subjected to any personal liability whatsoever, nor will any such claim be asserted by or on behalf of any other party relying on the services rendered under this Agreement.

Intellectual Property

We may use intellectual property in performing our services, including without limitation, data, software, designs, utilities, tools, spreadsheets, models, systems, ideas, methods and techniques ("Materials"). In the event you receive access to Materials during the performance of our services, such items are provided solely for your internal use and in an "as is" condition without warranty of any kind. We assume no responsibility for results obtained by anyone other than Moss Adams from use of such items. We retain all intellectual property rights in the Materials (including any developments, improvements, and knowledge generated during the performance of our services), and in any working papers compiled in connection with the services.

Company will own all final deliverables prepared for and delivered to Company, excluding any Materials contained or embodied therein ("Deliverables"). Company shall have a non-exclusive, non-transferable license to use Materials solely for the purposes for which they are delivered to the extent they form part of a Deliverable. Notwithstanding anything to the contrary, we may retain a copy of all Deliverables in our files for archival purposes.

Subpoena or Other Release of Documents

As a result of our services to you, we may be required or requested to provide information or documents to you or a third-party in connection with governmental regulations or activities, or a legal, arbitration or administrative proceeding (including a grand jury investigation), in which we are not a party. You may, within

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the time permitted for our firm to respond to any request, initiate such legal action as you deem appropriate to protect information from discovery. If you take no action within the time permitted for us to respond or if your action does not result in a judicial order protecting us from supplying requested information, we will construe your inaction or failure as consent to comply with the request. Our efforts in complying with such requests or demands will be deemed a part of this engagement and we shall be entitled to additional compensation for our time and reimbursement for our out-of-pocket expenditures (including legal fees) in complying with such request or demand.

Internal Use and Third Parties

All services under this Agreement shall be solely for your informational purposes and internal use, and no engagement creates privity between Moss Adams and any person or party other than you ("third party"). None of our services are intended for the express or implied benefit of any third party, and no third party is entitled to rely on the services we provide you, including without limitation, any advice, opinions, or reports. In the event of any such reliance, you agree to indemnify and hold harmless Moss Adams and its personnel from all third-party claims, liabilities, costs, and expenses.

Document Retention Policy

At the conclusion of this engagement, we will return original records you supplied to us. Your Company records are the primary records for your operations and comprise the backup and support for the results of this engagement. Our records and files, including our engagement documentation, whether kept on paper or electronic media, are our property and are not a substitute for your own records. Our policy calls for us to destroy our engagement files and all pertinent engagement documentation after a retention period of seven years (or longer, if required by law or regulation), after which time these items will no longer be available. We are under no obligation to notify you regarding the destruction of our records. We reserve the right to modify the retention period without notifying you. Catastrophic events or physical deterioration may result in our firm's records being unavailable before the expiration of the above retention period.

Except as set forth above, you agree that Moss Adams may destroy paper originals and copies of any documents, including, without limitation, correspondence, agreements, and representation letters, and retain only digital images thereof.

Use of Electronic Communication

In the interest of facilitating our services to you, we may communicate by facsimile transmission or send electronic mail over the Internet. Such communications may include information that is confidential to the Company. Our firm employs measures in the use of facsimile machines and computer technology designed to provide reasonable assurance that data security is maintained. While we will use our best efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, you recognize and accept we have no control over the unauthorized interception of these communications once they have been sent. Unless you issue specific instructions to do otherwise, we will assume you

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consent to our use of facsimile transmissions to your representatives and other use of these electronic devices during this engagement as we deem appropriate.

Enforceability

In the event any portion of this Agreement is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of this Agreement.

Entire Agreement

This Professional Services Agreement and Engagement Letter constitute the entire agreement and understanding between Moss Adams and the Company. The Company agrees that in entering into this Agreement it is not relying and has not relied upon any oral or other representations, promise or statement made by anyone which is not set forth herein.

In the event the parties fail to enter into a new Agreement for each subsequent calendar year in which Moss Adams provides services to the Company, the terms and conditions of this PSA shall continue in force until such time as the parties execute a new written Agreement or terminate their relationship, whichever occurs first.

Use of Moss Adams' Name

The Company may not use any of Moss Adams' name, trademarks, service marks or logo in connection with the services contemplated by this Agreement or otherwise without the prior written permission of Moss Adams, which permission may be withheld for any or no reason and may be subject to certain conditions.

Use of Third-Party Service Providers

We may use third party service providers in serving you, including software and data storage providers. You understand that Moss Adams does not control the providers' networks, security or availability of services.

Use of Nonlicensed Personnel

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

Dispute Resolution Procedure, Venue and Limitation Period

This Agreement shall be governed by the laws of the state of Washington, without giving effect to any conflicts of laws principles. If a dispute arises out of or relates to the engagement described herein, and if the dispute cannot be settled through negotiations, the parties agree first to try in good faith to settle the dispute by mediation using an agreed upon mediator. If the parties are unable to agree on a mediator, the parties shall petition the state court that would have jurisdiction over this matter if litigation were to ensue and request the appointment of a mediator, and such appointment shall be binding on the parties. Each party shall be responsible for its own mediation expenses, and shall share equally in the mediator's fees and expenses.

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If the claim or dispute cannot be settled through mediation, each party hereby irrevocably (a) consents to the exclusive jurisdiction and venue of the appropriate state or federal court located in King County, state of Washington in connection with any dispute hereunder or the enforcement of any right or obligation hereunder, and (b) WAIVES ITS RIGHT TO A JURY TRIAL. EACH PARTY FURTHER AGREES THAT ANY SUIT ARISING OUT OF OR RELATED TO THIS AGREEMENT MUST BE FILED IN A COURT OF PROPER JURISDICTION WITHIN ONE (1) YEAR AFTER THE CAUSE OF ACTION ARISES.

Termination

This Agreement may be terminated by either party, with or without cause, upon ten (10) days' written notice. In such event, we will stop providing services hereunder except on work, mutually agreed upon in writing, necessary to carry out such termination. In the event of termination, (a) you shall pay us for services provided and expenses incurred through the effective date of termination, (b) we will provide you with all finished deliverables that we have prepared pursuant to this Agreement, (c) neither party shall be liable to the other for any damages that occur as a result of our ceasing to render services, and (d) we will require any new accounting firm that you may retain to execute access letters satisfactory to Moss Adams prior to reviewing our files.