



**THREE RIVERS LEVEE IMPROVEMENT AUTHORITY**  
Yuba County Government Center, Board Chambers  
915 Eighth Street, Suite 109A  
Marysville, California

**SEPTEMBER 5, 2023 – TIME 2:30 P.M.**

**AGENDA**

**HYBRID MEETING IN PERSON AND VIA ZOOM**

**In person meeting:** The board meeting will be open to in-person attendance. To remain in compliance with the state’s public health guidance and CalOSHA COVID-19 Regulations [8 CCR §3205], masks will be encouraged to be worn by individuals who choose to wear them.

**Zoom meeting:** The Board proceedings are available via Zoom and you may participate in Public Comment by using the “raise hand” function.

The meeting information for the public is as follows:

**Join Zoom Meeting**

<https://us02web.zoom.us/j/83714573737>

**Meeting ID: 837 1457 3737**

**To participate via the audio only teleconference, dial in to the meeting using the below information:**

**1-669-900-9128 (San Jose)**

**1-346-248-7799 (Houston)**

**Meeting ID: 837 1457 3737**

Any member of the public on the telephone may speak during Public Communications.

I **ROLL CALL** – Directors Atwal, Bradford, Haste, Ledbetter, Vasquez

II **CONSENT ITEM**

A. Approve meeting minutes of August 1, 2023.

III **PUBLIC COMMUNICATIONS:** Any person may speak about any subject of concern within the jurisdiction of TRLIA which is not on today’s agenda. The total amount of time allotted shall be limited to a total of 15 minutes and each individual or group will be limited to no more than 5 minutes. If you are participating via Zoom and wish to comment, please use the “raise hand” function, or \*9 if participating on a phone.

IV **ACTION ITEM**

A. Authorize CliftonLarsonAllen LLP, (CLA) to perform the financial audit for Three Rivers Levee Improvement Authority (TRLIA) for Fiscal Year 2022-23, in the amount of \$19,800., and authorize Executive Director to execute the statement of work.

VII **BOARD /STAFF REPORTS**

A. Miscellaneous Reports

VI **ADJOURN**

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The complete agenda, including backup material, is available at the Yuba County Government Center, 915 8<sup>th</sup> Street, Suite 109, the County Library at 303 Second Street, Marysville, and [www.trlia.org](http://www.trlia.org). Any disclosable public record related to an open session item on the agenda and distributed to all or a majority of the Board of Directors less than 72 hours prior to the meeting are available for public inspection at Suite 109 during normal business hours.

In compliance with the Americans with Disabilities Act, the meeting room is wheelchair accessible and disabled parking is available. If you have a disability and need disability-related modifications or accommodations to participate in this meeting, please contact the Clerk of the Board's office at (530) 749-7510 or (530) 749-7353 (fax). Requests must be made one full business day before the start of the meeting.



## THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

AUGUST 1, 2023

### MINUTES

Call to order 2:30 p.m. with a quorum being present as follows: Directors Sardeep Atwal, Andy Vasquez, and Brent Hastey. Director Gary Bradford attended via Zoom, and Director Gary Ledbetter was absent. Also present were Executive Director Kevin Mallen, General Counsel Andrea Clark, and Clerk of the Board Mary Pasillas. Chair Atwal presided.

I ROLL CALL – Directors Atwal, Bradford, Hastey, Ledbetter, Vasquez – Director Ledbetter was absent

Director Gary Bradford announced he was attending via zoom with a just cause requirement due to a contagious illness and mentioned no one was in the room with him.

II CONSENT ITEM

A. Approve meeting minutes of June 6, 2023. Approved as written

MOTION: Move to approve Consent Agenda

MOVED: Andy Vasquez SECOND: Brent Hastey

AYES: Sarbdeep Atwal, Gary Bradford, Brent Hastey, Andy Vasquez

NOES: None

ABSENT: Gary Ledbetter

ABSTAIN: None

Approved via unanimous Roll Call Vote

III PUBLIC COMMUNICATIONS: None

IV ACTION ITEM

A. Approve amendment No. 15 to the agreement with Larsen, Wurzel & Associates (LWA) Inc., extending the term date to June 30, 2024, and add an additional amount of \$53,300.00 to the current agreement, and authorize Executive Director to execute. Executive Director Kevin Mallen provided a brief recap.

MOTION: Move to approve

MOVED: Brent Hastey SECOND: Andy Vasquez

AYES: Sarbdeep Atwal, Gary Bradford, Brent Hastey, Andy Vasquez

NOES: None

ABSENT: Gary Ledbetter

ABSTAIN: None

Approved via unanimous Roll Call Vote

V SPECIAL PRESENTATION

A. Introduction and presentation of new Project Manager, Sami Nall.

Yuba Water Agency Director of Water Resources and Flood Risk Reduction, Ryan McNally introduced and welcomed new Yuba Water Agency Flood Projection Manager, Sami Nall.

Sami Nall thanked the Board and provided a brief history on her background.

VI CORRESPONDENCE - The Board received the following correspondence

A. Fiscal year 2023-24 Annual Tax Reports for Community Facilities District (CFD) No. 2006-01 (South County Area) and No. 2006-2 (South County Area-Overlay)

VII BOARD /STAFF REPORTS

A. Miscellaneous Reports: None reported

VI ADJOURNED at 2:36 p.m.

\_\_\_\_\_  
Chair

ATTEST: MARY PASILLAS  
CLERK OF THE BOARD OF SUPERVISORS  
AND SECRETARY OF THE PUBLIC AUTHORITY

\_\_\_\_\_  
Approved: \_\_\_\_\_



**THREE RIVERS LEVEE IMPROVEMENT  
AUTHORITY**

915 Eighth Street, Suite 115  
Marysville, CA 95901  
Call: (530) 749-7575  
Fax: (530) 749-7312

September 5, 2023

**TO:** Three Rivers Levee Improvement Authority Board  
**FROM:** Jenna Shinn, Management Analyst  
**SUBJECT:** CliftonLarsonAllen LLP letter of engagement for Fiscal Year 22/23

**Recommendation:** Authorize Executive Director to sign the statement of work with CliftonLarsonAllen LLP (CLA) to perform TRLIA's financial audit for the Fiscal Year 22/23.

**Background:** On September 20, 2016 TRLIA contracted CLA, formally Gallina LLP, to perform the annual audit of financial statements of the governmental activities, and the major funds, which collectively comprise the basic financial statements of the Three Rivers Levee Improvement Authority, all past audits can be viewed on our website.

**Discussion:** CLA is now ready to begin the TRLIA audit for the year ending on June 30, 2023 and has provided TRLIA with the statement of work to sign. Richard Eberle (TRLIA Auditor) is supportive of CLA doing this next TRLIA audit. CLA has asked the Executive Director to sign the statement of work to start the audit process.

**Fiscal Impact:** The CLA expense for doing this audit is \$19,800, which will be paid from TRLIA's local funding and already included in TRLIA's final budget.

Attachment: CLA letter of Engagement for FY 22/23



# Statement of Work - Audit Services

July 28, 2023

This document constitutes a statement of work ("SOW") under the master service agreement ("MSA") dated August 4, 2022, or superseding MSA, made by and between CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") and Three Rivers Levee Improvement Authority ("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 June 30, 2023.

Jeffrey Peek is responsible for the performance of the audit engagement.

## **Scope of audit services**

We will audit the financial statements of the governmental activities, major funds, and the aggregate remaining fund information, which collectively comprise the basic financial statements of Three Rivers Levee Improvement Authority, and the related notes to the financial statements as of and for the year ended June 30, 2023.

The Governmental Accounting Standards Board (GASB) provides for certain required supplementary information (RSI) to accompany the entity's basic financial statements.

The RSI will be subjected to certain limited procedures, but will not be audited.

We will also evaluate and report on the presentation of the supplementary information other than RSI accompanying the financial statements in relation to the financial statements as a whole.

## **Nonaudit services**

We will also provide the following nonaudit services:

- Preparation of your financial statements and the related notes.
- Preparation of Special Districts Financial Transactions report.

## **Audit objectives**

The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the

United States of America (U.S. GAAP). Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Our audit will be conducted in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require us to be independent of the entity and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. Our audit will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion.

We will apply certain limited procedures to the RSI in accordance with U.S. GAAS. However, we will not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. We will also perform procedures to enable us to express an opinion on whether the supplementary information (as identified above) other than RSI accompanying the financial statements is fairly stated, in all material respects, in relation to the financial statements as a whole.

We will issue a written report upon completion of our audit of your financial statements.

Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph to our auditors' report, or if necessary, withdraw from the engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming opinions on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express opinions or issue a report, or withdrawing from the engagement.

We will also provide a report (which does not include an opinion) on internal control over financial reporting and on compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements, as required by *Government Auditing Standards*. The report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the entity is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit conducted in accordance with U.S. GAAS

and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

### **Auditor responsibilities, procedures, and limitations**

We will conduct our audit in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards*.

Those standards require that we exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. As part of our audit, we will:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and evaluate whether audit evidence obtained is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the amounts and disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on our evaluation of audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

Although our audit planning has not been concluded and modifications may be made, we have identified the following significant risk(s) of material misstatement as part of our audit planning:

- Management override of controls is considered to be a fraud risk.
- Implementation of new accounting standards pose a higher risk of error in the first year of implementation. For the year ended June 30, 2023, significant accounting standard implementations include GASB 96 - Subscription-Based Information Technology Arrangements.

There is an unavoidable risk, because of the inherent limitations of an audit, together with the inherent limitations of internal control, that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with U.S. GAAS and *Government Auditing Standards*. Because we will not perform a detailed examination of all transactions, material misstatements, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) 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, may not be detected. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not require auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management and those charged with governance of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management and those charged with governance of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential.

Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting fraud or errors that are material to the financial statements and to preventing and detecting misstatements resulting from noncompliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. An audit is not designed to provide assurance on internal control or to identify deficiencies, significant deficiencies, or material weaknesses in internal control. However, we will communicate to you in writing significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we identify during the audit that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the entity's compliance with the provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

We will include in our report on internal control over financial reporting and on compliance relevant information about any identified or suspected instances of fraud and any identified or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements that may have occurred that are required to be communicated under *Government Auditing Standards*.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

### **Management responsibilities**

Our audit will be conducted on the basis that you (management and, when appropriate, those charged with governance) acknowledge and understand that you have certain responsibilities that are fundamental to the conduct of an audit.

You are responsible for the preparation and fair presentation of the financial statements and RSI in accordance with U.S. GAAP.

Management's responsibilities include the selection and application of accounting principles; recording and reflecting all transactions in the financial statements; determining the reasonableness of significant accounting estimates included in the financial statements; adjusting the financial statements to correct material misstatements; and 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. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for 12 months beyond the financial statement date.

You are responsible for the design, implementation, and maintenance of effective internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including evaluating and monitoring ongoing activities and safeguarding assets to help ensure that appropriate goals and objectives are met. You are responsible for the design, implementation, and maintenance of internal controls to prevent and detect fraud; assessing the risk that the financial statements may be materially misstated as a result of fraud; and for informing us about all known or suspected fraud affecting the entity involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for implementing systems designed to achieve compliance with applicable laws and regulations and the provisions of contracts and grant agreements; identifying and ensuring that the entity complies with applicable laws, regulations, contracts, and grant agreements; and informing us of all instances of identified or suspected noncompliance whose effects on the financial statements should be considered. You are responsible for taking timely and appropriate steps to remedy any fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we may report.

You are responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including amounts and disclosures, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters, and for the accuracy and completeness of that information (including information from within and outside of the general and subsidiary ledgers); (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

You agree to inform us of events occurring or facts discovered subsequent to the date of the financial statements that may affect the financial statements.

Management is responsible for the preparation of the supplementary information in accordance with U.S. GAAP. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the

audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. You agree to provide us written representations related to the presentation of the supplementary information.

Management is responsible for providing us with a written confirmation concerning representations made by you and your staff to us in connection with the audit and the presentation of the basic financial statements and RSI. During our engagement, we will request information and explanations from you regarding, among other matters, the entity's activities, internal control, future plans, specific transactions, and accounting systems and procedures. The procedures we will perform during our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the representations that we receive in the representation letter and otherwise from you. Accordingly, inaccurate, incomplete, or false representations could cause us to expend unnecessary effort or could cause a material fraud or error to go undetected by our procedures. In view of the foregoing, you agree that we shall not be responsible for any misstatements in the entity's financial statements that we may fail to detect as a result of misrepresentations made to us by you.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies to us of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the "Audit objectives" section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other engagements or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

### **Responsibilities and limitations related to nonaudit services**

For all nonaudit services we may provide to you, management agrees 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. Management is also responsible for ensuring that your data and records are complete and that you have received sufficient information to oversee the services.

### **Use of financial statements**

Should you decide to include or incorporate by reference these financial statements and our auditors' report(s) thereon in a future private placement or other offering of equity or debt securities, you agree that we are under no obligation to re-issue our report or provide consent for the use of our report in such a registration or offering document. We will determine, at our sole discretion, whether we will re-issue our report or provide consent for the use of our report only after we have performed the procedures we consider necessary in the circumstances. If we decide to re-issue our report or consent to the use of our report, we will be required to perform certain procedures including, but not limited to, (a) reading other information incorporated by reference in the registration statement or other offering document and (b) subsequent

event procedures. These procedures will be considered an engagement separate and distinct from our audit engagement, and we will bill you separately. If we decide to re-issue our report or consent to the use of our report, you agree that we will be included on each distribution of draft offering materials and we will receive a complete set of final documents. If we decide not to re-issue our report or decide to withhold our consent to the use of our report, you may be required to engage another firm to audit periods covered by our audit reports, and that firm will likely bill you for its services. While the successor auditor may request access to our workpapers for those periods, we are under no obligation to permit such access.

If the parties (i.e., you and CLA) agree that CLA will not be involved with your official statements related to municipal securities filings or other offering documents, we will require that any official statements or other offering documents issued by you with which we are not involved clearly indicate that CLA is not involved with the contents of such documents. Such disclosure should read as follows:

CliftonLarsonAllen LLP, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. CliftonLarsonAllen LLP also has not performed any procedures relating to this offering document.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website or submitted on a regulator website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

We may issue preliminary draft financial statements to you for your review. Any preliminary draft financial statements should not be relied on or distributed.

### **Engagement administration and other matters**

We understand that your employees will prepare all confirmations, account analyses, and audit schedules we request and will locate any documents or invoices selected by us for testing. A list of information we expect to need for our audit and the dates required will be provided in a separate communication.

We will provide copies of our reports to the entity; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing confidential or sensitive information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the sole and exclusive property of CLA and constitutes confidential and proprietary information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to State Controller, or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of CLA personnel. Furthermore, upon request, we may provide copies or electronic versions of selected audit documentation to the aforementioned

parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by the State Controller. If we are aware that a federal or state awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Professional standards require us to be independent with respect to you in the performance of these services. Any discussion that you have with our personnel regarding potential employment with you could impair our independence with respect to this engagement. Therefore, we request that you inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence and objectivity. Further, any employment offers to any staff members working on this engagement without our prior knowledge may require substantial additional procedures to ensure our independence. You will be responsible for any additional costs incurred to perform these procedures.

Our audit engagement ends on delivery of our signed report. Any additional services that might be requested will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific SOW for that service.

Government Auditing Standards require that we make our most recent external peer review report publicly available. The report is posted on our website at [www.CLAconnect.com/Aboutus/](http://www.CLAconnect.com/Aboutus/).

### **Fees**

Our professional fees are outlined in the table below:

<b>Service</b>	<b>Fee</b>
Financial Statement Audit	\$18,800
Preparation of the financial transactions report	\$1,000
Total	\$19,800

We will also bill for expenses including travel, internal and administrative charges, and a technology and client support fee of five (5%) of all professional fees billed, of which amounts are included in our total fees listed above. Our fee is based on anticipated cooperation from your personnel and their assistance with locating requested documents and preparing requested schedules. If the requested items are not available on the dates required or are not accurate, the fees and expenses will likely be higher.

### **Unexpected circumstances**

We will advise you if unexpected circumstances require significant additional procedures resulting in a substantial increase in the fee estimate.

### **Changes in accounting and audit standards**

Standard setters and regulators continue to evaluate and modify standards. Such changes may result in new or revised financial reporting and disclosure requirements or expand the nature, timing, and scope of the activities we are required to perform. To the extent that the amount of time required to provide the services described in the SOW increases due to such changes, our fee may need to be adjusted. We will discuss such circumstances with you prior to performing the additional work.

**Agreement**

We appreciate the opportunity to provide to you the services described in this SOW under the MSA and believe this SOW accurately summarizes the significant terms of our audit engagement. This SOW and the MSA constitute the entire agreement regarding these services and supersedes all prior agreements (whether oral or written), understandings, negotiations, and discussions between you and CLA related to audit services. If you have any questions, please let us know. Please sign, date, and return this SOW to us to indicate your acknowledgment and understanding of, and agreement with, the arrangements for our audit of your financial statements including the terms of our engagement and the parties' respective responsibilities.

Sincerely,

**CliftonLarsonAllen LLP**

**Response:**

This letter correctly sets forth the understanding of Three Rivers Levee Improvement Authority.

CLA  
CLA

*Jeffrey Peek*

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Jeffrey Peek, Principal

**Client**

ORG:

NAME:

TITLE:

SIGN:

DATE: