



88 East Broad Street
Columbus, Ohio 43215
IPA Correspondence@ohioauditor.gov
(800) 282-0370

EXTENSION AGREEMENT

This Agreement between Auditor of State Keith Faber (Auditor), Ohio Public Employees Deferred Compensation Program, Franklin County (Public Office), and Rea & Associates Inc., an independent public accountant (IPA), extends an existing agreement between these parties as identified in SECTION I below and incorporated herein by reference. These parties agree to abide by all terms and conditions of the original agreement, except as specifically identified in Section II below, and that **no remuneration will be granted in relation to work performed under this modification/extension prior to the execution of this Agreement by all parties.**

SECTION I – ORIGINAL CONTRACT INFORMATION

Public Office Name on RFP	Ohio Public Employees Deferred Compensation Program		
Original Contract Period	January 1, 2015 through December 31, 2019		
Date RFP was issued	June 17, 2015	Date MOA Executed	September 9, 2015
Public Office Contact	Paul Miller	E-mail	pmiller@ohiodc.org
IPA Contact	Zac Morris	E-mail	zac.morris@reacpa.com

SECTION II – EXTENSION INFORMATION

Extension Period: January 1, 2020 to December 31, 2024

Check one: Annual Audit ☒ or Biennial Audit ☐

The RFP and related contract are hereby amended for the audit periods noted above as follows:

Contract Modifications

Modifications should only be requested for issues which were not known at the time of the original proposal, including but not limited to, changes in accounting or professional standards, changes in reporting entity, significant changes in funding, due date changes, etc. IPAs must utilize the Contract Modification application via the IPA Portal, after any necessary discussions with the Auditor of State representative, and obtain the Public Office's approval per the Auditor of State's contract modification policy. The Auditor of State will review, and if determined appropriate, approve the signed contract modification, which will set forth the terms of the contract between the Auditor of State, the Public Office and the firm. **Such agreement must be executed by the Auditor of State prior to the performance of any additional work. No remuneration will be granted in relation to work performed prior to execution of such agreement.** Any additions or reductions to the work agreed to between the Public Office and the firm shall be at an hourly rate that will not exceed the average hourly rate for the corresponding fiscal period set forth in the schedule of fees and expenses included in the original dollar cost bid, except in limited circumstances approved by the Auditor of State where the total cost for the audit period does not exceed the original proposed amount.

The IPA agrees to work closely with the Auditor of State's office and the Public Office to resolve issues as they arise prior to performance of additional procedures perceived to be beyond the scope of a prudent proposal submitted in response to this Request for Proposals.

Note: If the contract requires MBE/EDGE participation (Section I.E), any change in hours must be evaluated to determine the impact on the 15% cost requirement. Any change in cost would impact the dollar amount required to

be set aside for the MBE/EDGE firm. If the modification causes the hours to exceed 800, a MBE/EDGE firm must be added to the engagement for the affected period.

Hinkle Annual Financial Data Reporting System (Hinkle System)

As required by Ohio Revised Code 117.38, public offices must file their annual financial reports with the Auditor of State (AOS). As described in Auditor of State Bulletin 2015-007, all entities required to file with the AOS must file electronically via the Hinkle Annual Financial Data Reporting System (Hinkle System).

As required by the Bulletin, any independent public accounting (IPA) firms contracted to perform audits for the AOS will audit the financial statements uploaded and submitted to the AOS via the Hinkle System. At the commencement of the audit, the IPA will verify with the entity that the financial statements submitted via the Hinkle System are the final, unaudited financial statements for the audit period. If the financial statements required modification, the entity must contact the AOS at HinkleSystem@ohioauditor.gov in order to re-file.

When financial statements filed via the Hinkle System are audited by the IPA firm, the Hinkle System will include an audit adjustment application which requires the IPA firm to key in audit adjustments for cities, counties, schools, community schools, townships, libraries and villages to Hinkle System data as part of the audit finalization procedures. The adjustments should be entered prior to submitting the final report package to ipareport@ohioauditor.gov (or faxed to 866-603-003).

Manner of Payment

The Auditor of State requires that electronic invoices be submitted for Auditor of State approval via the IPA Portal billing process prior to presenting the invoice to the Public Office for payment. No payments should be processed by the Public Office without Auditor of State approval.

Progress payments should be made on the basis of **work completed during the billing period** incurred in accordance with the firm's cost proposal. Interim billings shall cover a period of not less than a calendar month. Billings for work completed must be submitted to the Auditor of State timely.

For the final billing, invoices will be processed as above; however, they must provide total actual hours for the engagement. In addition, invoices must be submitted no later than 90 days after the release of the report by the Auditor of State's Clerk of the Bureau. Invoices may NOT be permitted to be submitted and accepted for processing after the 90 days have expired.

All invoices must certify that all amounts set forth therein are properly due and payable for work performed by the IPA and/or by the specified qualified subcontractors, if applicable.

Subject to approval of the billing, the amount paid to the IPA for each billing shall be the total amount billed. However, under no circumstances shall the total amount paid prior to final acceptance of the engagement work for the fiscal period in question exceed eighty (80) percent of the total fee for the current engagement fiscal period, as specified in the contract. Upon approval of the final reports by the Auditor of State, the IPA may submit an invoice for the remainder due for the current engagement fiscal period. No payment shall be construed as acceptance of the engagement work or of any reports by the Auditor of State.

The Auditor of State may inspect the records and work papers of the IPA and of any subcontractor to determine the validity of billings. Adequate records shall be maintained by the IPA to support all billings.

Date Final Report is Due

It is anticipated this process will be completed and the final report delivered by **June 1 for each engagement period of the contract**. The final report package should be e-mailed to ipareport@ohioauditor.gov **no later than this date**.

SECTION II – EXTENSION INFORMATION (continued)

Affirmations

The IPA shall mark “Affirmed” or “N/A,” as applicable, for each of the affirmations noted in the attached Mandatory Elements Form.

Cost: Refer to the attached Schedule of Professional Fees and Expenses for details related to the costs associated with this Extension.

Indemnification

The IPA shall indemnify, defend, and hold harmless the Auditor of State, and its personnel, officers, and employees from and against any claims, liabilities, expenses or suits relating to this Agreement or the services provided by the IPA under this Agreement as to any suit, action, or claim asserted or prosecuted by third parties solely for death, bodily injury, or physical damage to real or tangible personal property to the extent directly and proximately caused by the negligent acts or intentional misconduct of the IPA or its subcontractor while engaged in the performance of the Services; and, at its own expense in any such instances, the IPA shall pay all attorneys’ fees, damages, court costs, and other expenses arising out of any such litigation or claim; and, at its own expense, the IPA shall satisfy and cause to be discharged any judgments as may be obtained against the Auditor of State or any of its personnel, officers, or employees pursuant to any such litigation or claim, provided, however, if there is also fault on the part of any entity or individual indemnified hereunder or any entity or individual acting on the Auditor of State’s behalf, the foregoing indemnification shall be on a comparative fault basis.

The IPA shall indemnify, defend and hold harmless the Auditor of State and its personnel from all Claims attributable to the claims or suits asserted or prosecuted by third parties for infringement by a Deliverable of any patent existing at the time of delivery and known to the IPA or copyright or any unauthorized use of any trade secret, except to the extent that such infringement or unauthorized use arises from, or could have been avoided except for (i) modification of such Deliverable other than by the IPA or its subcontractors or use thereof in a manner not contemplated by the Agreement, (ii) the failure of the indemnified party to use any corrections or modifications made available by the IPA, (iii) information, materials, instructions, specifications, requirements or designs provided by or on behalf of the indemnified party, or (iv) the use of such Deliverable in combination with any platform, product, network or data not provided by the IPA. If the Auditor of State or the Client’s use of any such Deliverable, or any portion thereof, is or is likely to be enjoined by order of a court of competent jurisdiction as such an infringement or unauthorized use, the IPA, at its option and expense, shall have the right to (x) procure for Auditor of State and Client the continued use of such Deliverable, (y) replace such Deliverable with a non-infringing Deliverable, or (z) modify such Deliverable so it becomes non infringing; provided that, if (y) or (z) is the option chosen by the IPA, the replacement or modified Deliverable is capable of performing substantially the same function. In the event the IPA cannot reasonably procure, replace or modify such Deliverable in accordance with the immediately preceding sentence, the IPA may require the Auditor of State and Client to cease use of such Deliverable and refund the professional fees paid to the IPA with respect to the Services giving rise to such Deliverable.

The foregoing provisions of this Section constitute the sole and exclusive remedy of the indemnified parties, and the sole and exclusive obligation of the IPA, relating to a claim that any of the IPA’s Deliverables infringes any patent, copyright or other intellectual property right of a third party.

As a condition to the foregoing indemnity obligations, the IPA shall be given written notice of the assertion of such claims or suits for which indemnification is sought (an “Indemnity Claim”) promptly after such matters are brought to the attention of the Auditor of State and shall cooperate in all reasonable and customary respects with the IPA in connection with any such Indemnity Claim, suit or claim covered by the indemnity obligation. The IPA shall be entitled to defend, settle, and control the handling of any such Indemnity Claim, in its sole discretion, with counsel of its own choosing. The IPA, however, shall not settle any such Indemnity Claim without the prior written consent of the Auditor of State (which shall not be unreasonably withheld) except such consent is not required if (1) the sole relief provided is the payment of monetary damages by the IPA or, to the extent that any non-monetary relief is provided, such non-monetary relief is applicable only to the IPA, (2) there is no admission of any fault or wrongdoing on the part of the Auditor of State, and (3) the compromise or settlement contains a full and unconditional release (other than a condition of receipt of payment from the IPA) of the Auditor of State from liability in respect of such Indemnity Claim. Subject to the assent of the Attorney General of Ohio, the Auditor of State shall be permitted to

SECTION II – EXTENSION INFORMATION (continued)

participate in (but not control) the defense and settlement of any such Indemnity Claim that impacts the interest of the state of Ohio and to employ separate counsel in connection with such Indemnity Claim. The fees and expenses of such separate counsel shall be at the Auditor of State's expense. Nothing contained herein, however, is intended to confer to any third party any right or benefits hereunder; nor is the foregoing indemnification obligation intended to alter or extend the IPA firm's liability for failure to comply with the terms of the Agreement or for professional negligence or misconduct.

The IPA shall be solely responsible to Auditor of State and the Client for the performance of the services provided by the IPA under this Agreement. The Client agrees that it will not bring any claims or suits arising from or relating to the IPA's performance of the services under this Agreement against the Auditor of State.

SECTION III – RECITALS/APPROVAL

Due to the need for a contract extension, as stated in SECTION II above, the parties with intent to be legally bound agree as follows:

1. IPA shall, in the performance of its engagements related to the Public Office for the fiscal period(s) set forth in the original Contract, previous Modification Agreements, and in this Agreement, perform all engagement work as set forth in the original Memorandum of Agreement, previous Modifications Agreements and in this Agreement;
2. The performance of the engagement work provided for in this Agreement, and all related payments provided for herein, shall in all respects be subject to the terms and conditions set forth in the original Contract;
3. Should this extension result in the total hours of the contract to exceed the threshold established for use of a MBE/EDGE subcontractor, the IPA shall follow all minority participation and other relevant requirements of the original contract. If applicable, the required MBE/EDGE subcontractor with respect to this Agreement will be:

Subcontractor: _____

Address: _____

4. Should this extension involve the use of other subcontractors, the IPA shall follow all relevant requirements of the original contract. If applicable, the other subcontractor with respect to this Agreement will be:

Subcontractor: _____

Address: _____

In the event of any conflict or inconsistency between the provisions of this Agreement and the parties' prior contract, the provisions of this Agreement shall control in all respects.

IN WITNESS WHEREOF, Auditor, Public Office and IPA have executed this agreement.

Zachary L. Morris

6.25.20

Rea & Associates, Inc.

[Signature]

Date

6/25/2020

Legislative Authority or Designee for Ohio Public Employees Deferred Compensation Program

Date

Auditor of State

Date

MANDATORY ELEMENTS

Required Affirmations

PUBLIC OFFICE: _____ COUNTY: _____

CONTRACT NUMBER: _____ CONTRACT PERIOD: _____

To be considered, **the proposal must address every one of the elements**. When these are not fully addressed, proposals will be considered non-responsive to the RFP and will not be evaluated further. Please ensure these affirmations are the first element of your firm's proposal and indicate your firm's agreement with the affirmation by checking the respective box for each affirmation.

1.	<u>CPA Licensure Laws</u> Our firm is licensed by the Ohio Accountancy Board to do business in Ohio and will remain in compliance with Ohio CPA licensure laws and rules.	Affirmed
2.	<u>CPE requirements</u> Our firm and all assigned key professional staff are, and will remain, in compliance with governmental qualification standards, including governmental continuing education requirements.	Affirmed
3.a.	<u>Peer Review (Opt. 1)</u> Our firm has undergone an external quality control peer review, conducted in accordance with generally accepted government auditing standards, within the last three years and received a pass rating. The current report is on file with the Auditor of State's Office.	Affirmed N/A
3.b.	<u>Peer Review (Opt. 2)</u> In accordance with GAGAS 3.97, our firm is not yet required to have an external quality control peer review, conducted in accordance with generally accepted government auditing standards. When required, our firm will have the appropriate peer review conducted and provide a copy of the report to the Auditor of State's Office.	Affirmed N/A
4.	<u>Ohio Ethics Laws</u> Our firm and all assigned key professional staff are, and will remain, in compliance with the requirements of Ohio's Ethics Law, as applicable and found at § 2921.42 and in Chapter 102 of the Ohio Revised Code.	Affirmed
5.	<u>Rules and Laws Regarding Conflicts of Interest</u> Our firm and all assigned key professional staff are, and will remain, in compliance with laws and rules regarding conflicts of interest.	Affirmed
6.	<u>Unresolved Findings for Recovery</u> Our firm is not subject to any unresolved finding for recovery issued by the Auditor of State under Ohio Rev. Code § 9.24, or our firm has taken appropriate remedial steps required under R.C. § 9.24. Our firm agrees that if this statement is deemed to be false, the contract shall be declared "void ab initio" between the parties, and _____ will not be obligated to pay for goods or services rendered under the contract. Any funds paid under the contract shall be remitted by our firm to _____ or an action for recovery of such payments may result.	Affirmed
7.a.	<u>Independence - Nonaudit Services Provided (Opt. 1)</u> ➤ Our firm has listed and described in our proposal any and all nonaudit services that have been provided to _____ over the previous five (5) years from the date of our proposal or are expected to be provided during the contract term; ➤ Our firm and all assigned key professional staff are independent of _____ as defined by U.S. Government Accountability Office's <i>Government Auditing Standards</i>; ➤ Our firm and all assigned key professional staff are, and will remain, in compliance with GAO rules relating to auditor independence; and ➤ In providing such nonaudit services, our firm did not perform management functions, make management decisions for _____ nor led reasonable third parties, with knowledge of the relevant facts and circumstances, to conclude our firm would be auditing our own work.	Affirmed N/A
7.b.	<u>Independence - Nonaudit Services NOT Provided (Opt. 2)</u> ➤ Our firm and all assigned key professional staff are independent of _____ as defined by U.S. Government Accountability Office's <i>Government Auditing Standards</i>; ➤ Our firm has not provided nonaudit services affecting the audit periods that involved performing management functions or making management decisions for _____; and ➤ If selected, our firm will not provide nonaudit services to _____ during the term of the contract that would require our firm to perform management functions or make management decisions for the entity, or would lead reasonable third parties, with knowledge of the relevant facts and circumstances, to conclude that our firm would be auditing our own work.	Affirmed N/A
8.	<u>Independence - Entity's Components</u> ➤ Our firm and all assigned key professional staff are independent of the entity's components listed in Section III (G); of the Request for Proposal.	Affirmed N/A

9.a.	<u>Independence - Entity's Components - Nonaudit Services Provided (Opt. 1)</u> ➤ Our firm has listed and described in our proposal any and all nonaudit services that have been provided to _____'s components listed in Section III(G) of the Request for Proposal over the previous five (5) years from the date of our proposal, or are expected to be provided during the contract term; ➤ Our firm and all assigned key professional staff are independent of _____'s components as defined by U.S. Government Accountability Office's <i>Government Auditing Standards</i>; ➤ Our firm and all assigned key professional staff are, and will remain, in compliance with GAO rules relating to auditor independence; and ➤ In providing such nonaudit services, our firm did not perform management functions, make management decisions for _____'s components nor led reasonable third parties, with knowledge of the relevant facts and circumstances, to conclude our firm would be auditing our own work.	Affirmed N/A
9.b.	<u>Independence - Entity's Components - Nonaudit Services NOT Provided (Opt. 2)</u> ➤ Our firm and all assigned key professional staff are independent of _____'s components as defined by U.S. Government Accountability Office's <i>Government Auditing Standards</i>; ➤ Our firm has not provided nonaudit services affecting the audit periods that involved performing management functions or making management decisions for _____'s components; and ➤ If selected, our firm will not provide nonaudit services to _____'s components during the term of the contract that would require our firm to perform management functions or make management decisions for _____'s components, or would lead reasonable third parties, with knowledge of the relevant facts and circumstances, to conclude that our firm would be auditing our own work.	Affirmed N/A
10.	<u>Independence – Oversight Unit if Entity is a Component of Another Public Office</u> Our firm and all assigned key professional staff are independent of the following Oversight Unit: _____	Affirmed N/A
11.a.	<u>Independence – Oversight Unit if Entity is a Component of Another Public Office – Nonaudit Services Provided (Opt. 1)</u> ➤ Our firm has listed and described any and all nonaudit services that have been provided to _____ over the previous five (5) years from the date of the proposal; ➤ Our firm and all assigned key professional staff are independent of _____ as defined by U.S. Government Accountability Office's <i>Government Auditing Standards</i>; ➤ Our firm and all assigned key professional staff are, and will remain, in compliance with GAO rules relating to auditor independence; and ➤ In providing such nonaudit services, our firm did not perform management functions, make management decisions for _____ nor led reasonable third parties, with knowledge of the relevant facts and circumstances, to conclude our firm would be auditing our own work.	Affirmed N/A
11.b.	<u>Independence - Oversight Unit if Entity is a Component of Another Public Office - Nonaudit Services NOT Provided (Opt. 2)</u> ➤ Our firm and all assigned key professional staff are independent of _____ as defined by U.S. Government Accountability Office's <i>Government Auditing Standards</i>; ➤ Our firm has not provided nonaudit services affecting the audit periods that involved performing management functions or making management decisions for _____; and ➤ If selected, our firm will not provide nonaudit services to _____ during the term of the contract that would require our firm to perform management functions or make management decisions for the entity, or would lead reasonable third parties, with knowledge of the relevant facts and circumstances, to conclude that our firm would be auditing our own work.	Affirmed N/A
12.	<u>Personal and External Impairments</u> ➤ Our firm and all assigned key professional staff have no personal or external impairments to independence due to relationships with _____, and have listed and described in our proposal all our firm's professional relationships that could affect our impartiality or the appearance of impartiality involving the _____ or any of its agencies/agencies or components /agencies, components or oversight unit, as applicable for the past five (5) years from the date of the proposal; ➤ If appropriate, our proposal has included a statement explaining why such relationships do not constitute an independence issue relative to performing the proposed audit. ➤ Our firm shall give _____ and the Auditor of State written notice of any professional relationships entered into during the period of this agreement, relative to parties connected to this proposed engagement that could affect our impartiality or the appearance of impartiality. ➤ Prior to entering into any new agreement to provide any nonaudit service to _____ during the term of the contract, our firm will notify the Auditor of State through completion of the IPA Nonaudit Service GAO Independence Notification/Evaluation (Exhibit E of the RFP). By filing this form, our firm asserts the non-audit service does not impair our firm's independence.	Affirmed
13.	<u>Inappropriate Public Office Contact</u> Our firm and all assigned key professional staff have not made, and will not make, any contact with personnel of the _____ regarding this request for proposal other than allowed by Section I. C. of the RFP.	Affirmed
14.	<u>Subcontractors</u> If subcontractors are engaged, our firm will ensure the subcontractor(s) have met all applicable elements listed in the affirmations above.	Affirmed N/A
15.	<u>Irrevocable Offer</u> Our firm's proposal is a firm and irrevocable offer for 90 days.	Affirmed

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
TO SUPPORT THE TOTAL ALL-INCLUSIVE FIXED FEE
FOR AUDIT SERVICES – _____EXTENSION

	<u>Hours</u>	<u>Average Hourly Rate</u>	<u>Total Fixed fee</u>	<u>Amount attributed to MBE/EDGE (if applicable)</u>
Partners	_____			
Managers	_____			
Supervisory staff	_____			
Staff	_____			
Other (specify):	_____			
Total for period ending	_____	\$ _____	\$ _____	\$ _____

	<u>Hours</u>	<u>Average Hourly Rate</u>	<u>Total Fixed fee</u>	<u>Amount attributed to MBE/EDGE (if applicable)</u>
Fiscal period ending	_____	\$ _____	\$ _____	\$ _____
Fiscal period ending	_____	\$ _____	\$ _____	\$ _____
Fiscal period ending	_____	\$ _____	\$ _____	\$ _____
Fiscal period ending	_____	\$ _____	\$ _____	\$ _____
Total for fiscal periods	_____	\$ _____	\$ _____	\$ _____