



Outsourcing Special Services Statement of Work

Date: August 14, 2024

This agreement constitutes a Statement of Work (“SOW”) to the Master Service Agreement (“MSA”) made by and between CliftonLarsonAllen LLP (“CLA,” “we,” “us,” and “our”) and Polk Regional Water Cooperative (“you” and “your”) dated August 14, 2024 or any superseding MSA. The purpose of this SOW is to outline certain services you wish us to perform through September 30, 2025 in connection with that agreement.

This SOW supersedes the SOW between Polk Regional Water Cooperative and CliftonLarsonAllen LLP (CLA) for outsourcing preparation services dated August 9, 2023.

Scope of professional services

Kristen Labbe is responsible for the performance of the services identified in this agreement.

For all services we may provide to you, your management agrees to assume all management responsibilities; oversee the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services.

Special services:

- Process accounts payable, including the preparation and of checks
- Prepare billings, record billings, and enter cash receipts and track accounts receivable. Billing to include SRF and WIFIA funding request
- Prepare depreciation schedules
- Reconcile bank accounts monthly and prepare journal entries
- Reconcile balance sheet accounts annually and prepare journal entries
- Consulting and advisory services, which include:
 - Analyze financial statement trends and present to management
 - Develop and track key business metrics as requested and review periodically with management

- Monitor and report cash flow analysis to management
- Assist with bank communications and negotiations
- Assist management with the budgeting services
- Attend PRWC board meetings
- Continue process and procedure improvement
- Prepare federal Form 1099 and Form 1096 from information provided by you and transmit federal Form 1099 to federal and state taxing authorities on your behalf
- Assist management in preparation for annual financial statement audit

CLA shall be authorized to the following cash access services:

- Obtain one or more signature stamps bearing the name(s) and facsimile signature(s) of any of your officer(s) who are responsible for signing checks and bank drafts on your behalf.
- Prepare checks and/or electronic funds transfers (EFT, ACH, wire, etc.) to be drawn upon your bank account(s) and to use the above noted methods to thereby finally approve such checks for payment by the corresponding bank(s).

Engagement objectives, limitations, and responsibilities

CLA has not been engaged to prepare financial statements and financial statements will not be provided.

We will perform this engagement in accordance with the Statement on Standards for Consulting Services issued by the American Institute of Certified Public Accountants (AICPA) and comply with the AICPA's Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care.

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 entity or noncompliance with laws and regulations. We have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement. You agree that we shall not be responsible for any misstatements in the entity's financial statements that may not be identified as a result of misrepresentations made to us by you.

CLA's relationship with you shall be solely that of an independent contractor and nothing in the MSA or a SOW shall be construed to create or imply any relationship of employment, agency, partnership, or any relationship other than an independent contractor.

Beneficial ownership information reporting

Beginning in 2024 under the Corporate Transparency Act (CTA), certain entities organized in the U.S.

(including entities that are disregarded for federal income tax purposes) and foreign entities doing business in the U.S. are required to report information to the Financial Crimes Enforcement Network (FinCEN) as to their beneficial ownership. The report must provide each beneficial owner, each company applicant and other required information. Entities subject to the beneficial ownership information (BOI) reporting include a corporation, limited liability company, or any other entity created by the filing of a document with the secretary of state or similar office under state, Tribal or foreign country law. Note that some entities are exempt from the BOI reporting requirements (including many nonprofits and certain large operating companies).

It is your responsibility to prepare and submit any BOI report to FinCEN that is required under the CTA. We have no obligation to identify any filing requirements or provide any services related to BOI reporting.

You agree that CLA will not be providing any services that could be viewed as having control or being a beneficial owner of the entity that would require you to list CLA, its partners, principals, directors, officers, employees or agents, in any BOI report. We will not act as a corporate agent or in any capacity where we are preparing or filing legal documents on your behalf. We also will not make any management decisions that indicate substantial control of your entity, including the following decisions:

- Reorganization, dissolution or merger of the reporting company; compensation and incentives of senior officers;
- Making, terminating, fulfilling or not fulfilling significant contracts;
- Selecting, terminating business lines, ventures, or geographic focus;
- Making major expenditures, incurring significant debt, issuing securities, approving operating budgets, selling, transferring, leasing or mortgaging principal assets;
- Amending governing documents; or
- Determining the nature, scope and attributes of the business conducted.

Management responsibilities relevant to CLA's access to your cash

Someone with management authority is responsible for the processes below. All approvals listed must be documented in writing, either electronically or manually:

- Approve all invoices and check payments.
- Approve all new vendors and customers added to the accounting system.
- Approve all electronic funds transfers (EFT, ACH, wire, etc.) to external parties.
- Review and approve (or delegate to the CLA consulting controller if applicable) all bank statements and affiliated monthly reconciliations.

- All requests or approvals received via email, text or IM will be confirmed via phone.

Fees and terms

The professional fees (guaranteed through September 30, 2025) for these services are as follows:

Item	Fee
Ongoing Normal Accounting Services	\$3,800 per month

Included in the fixed fees are meetings and phone calls to discuss operations, business matters, and accounting matters of the entity. While the fixed fees entitle the entity to consultations with us, if organizational conditions change or the scope of the work requires substantial additional effort beyond what has been defined in this agreement, CLA agrees to perform the additional work at a mutually agreed upon price.

Out-of-pocket expenses such as out-of-town travel, meals, and lodging will be billed at cost and are not included in the fees quoted above. We will also add a technology and client support fee of five percent (5%) of all professional fees billed. The fee estimates are based on anticipated cooperation from your personnel and their assistance with preparing requested schedules. If the requested items are not available on the dates required or are not accurate, the estimated fees will likely be higher. If unexpected circumstances require significant additional time, we will advise you before undertaking work that would require a substantial increase in the fee estimate. We will also bill any third-party software subscription fees that you direct CLA to purchase and incur on your behalf.

Non-Solicitation

You agree that during the term and for a period of one year after the expiration or termination date of the MSA, you will not solicit, hire, contract with, or engage the services of any person providing services to you on behalf of CLA without the prior written consent of CLA. If you breach this non-solicitation provision, you shall pay \$125,000.00 to CLA as liquidated damages within two weeks of the date on which the former CLA employee or consultant begins his or her new employment with you.

Indemnity

For the services described in this SOW, you agree to indemnify and hold harmless CLA, its successors and affiliates, officers, employees, and agents from any claims brought or asserted by any other person, third party, or governmental body for any loss, damages, liabilities, remedies, or cause of action, and from any reasonable expenses incurred in defending against any such claims or actions (including attorney fees) arising from or relating to the services performed by any CLA party.

Termination of SOW

Either party (you or CLA) may terminate this particular SOW at any time by giving 30 days written notice

to the other party. Upon termination of this particular SOW, the provisions of this SOW and the existing MSA shall continue to apply to all services rendered prior to termination.

Agreement

We appreciate the opportunity to provide the services described in this SOW related to the MSA. All terms and provisions of the MSA shall apply to these services. If you agree with the terms of this SOW, please sign below and return a signed copy to us to indicate your acknowledgment and understanding of, and agreement with, this SOW.

CliftonLarsonAllen LLP

Kristen Labbe

Principal

863-680-5615

kristen.labbe@claconnect.com

Response

This SOW correctly sets forth the understanding of Polk Regional Water Cooperative and is accepted by:

CLA
CliftonLarsonAllen LLP

SIGN:

Kristen Labbe, Principal

DATE:

Client
Polk Regional Water Cooperative

SIGN:

Eric DeHaven

DATE:
