

Amendment #4

For Board Approval: September 12, 2018

This amendment (the "Amendment") is made by North Coast Railroad Authority (AUTHORITY) and Aycock & Edgmon CPA's (CONTRACTOR) parties to the contract dated September 9, 2009 and amended on September 9, 2010, and November 9, 2011 for Accounting Services (the Contract").

The Contract is amended as follows:

Term:

Section 1- Duration of Contract: The Contract will commence on Oct. 31, 2017 continuing until October 31, 2020.

Payment Schedule:

B-3 Compensation

Authority shall pay contractor: (check one)

A total lump sum payment of \$ _____

A total sum not to exceed \$32,000 per year for services rendered.

Except as set forth in this Amendment, the Agreement is unaffected and shall continue in full force and effect in accordance with its terms. If there is a conflict between this amendment and the Agreement or any earlier amendment, the terms of this amendment will prevail.

North Coast Railroad Authority

By: _____

Printed Name: Mitch Stogner

Dated: _____

Aycock & Edgmon

By: _____

Printed Name:

Dated: _____



September 4, 2018

Mitch Stogner
North Coast Railroad Authority
419 Talmage Road, Suite M
Ukiah, CA 95482

We are pleased to confirm our acceptance and understanding of the services we are to provide for the North Coast Railroad Authority for the three fiscal years ending June 30, 2020.

You have requested that we perform the following services:

- 1) We will provide you with the following accounting services:
 - Reconcile the District's cash accounts on a monthly basis. We will not review the cancelled warrants or electronic copies of the warrants for payees or endorsements.
 - Record prepaid expenses, depreciation, prepaid leases, and accrue interest on a monthly basis.
 - Record all adjusting entries needed on a monthly basis.
 - Prepare the Annual Financial Transaction Report.
 - Prepare documents and reconciliations requested by the District's auditors.
- 2) We will prepare the financial statements of the North Coast Railroad Authority which comprise the quarterly and monthly Statements of Net Position and the related Statements of Revenues, Expenses, and Changes in Net Position, and Cash Flows for the year ended June 30, 2018 and the following two fiscal years and perform a compilation engagement with respect to those financial statements. These financial statements will not include the notes to the financial statements.

The objective of the preparation and compilation portion of our engagement is to-

- prepare financial statements in accordance with accounting principles generally accepted in the United States of America based on information provided by you,
- apply accounting and financial reporting expertise to assist you in the presentation of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

We will conduct our compilation engagement in accordance with the Statements on Standards for Accounting and Review Services (SSARS) promulgated by the Accounting and Review Services Committee of the AICPA and comply with applicable professional standards, including the AICPA's Code of Professional Conduct, and its ethical principles of integrity, objectivity, professional competence, and due care, when performing the accounting services, preparing the financial statements, and performing the compilation engagement.

We are not required to, and will not, 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. Accordingly, we will not express an opinion, a conclusion, nor provide any assurance on the 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 City or noncompliance with laws and regulations.

The financial statement presentation and compilation portion of the engagement to be performed is conducted on the basis that you acknowledge and understand that our role is to prepare financial statements in accordance with accounting principles generally accepted in the United States of America, and assist you in the presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America. You have the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARS:

- a. The selection of accounting principles generally accepted in the United States of America as the financial reporting framework to be applied in the preparation of the financial statements.
- b. The preparation and fair presentation of financial statements in accordance with accounting principles generally accepted in the United States of America and the inclusion of all informative disclosures that are appropriate for accounting principles generally accepted in the United States of America.
- c. The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.
- d. The prevention and detection of fraud.
- e. To ensure that the District complies with the laws and regulations applicable to its activities.
- f. The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement.
- g. To provide us with-
 - access to all information of which you are aware is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - additional information that we may request from you for the purpose of the compilation engagement.
 - unrestricted access to persons within the District of whom we determine it necessary to make inquiries.

As part of our engagement, we will issue a report that will state that we did not audit or review the financial statements and that, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on them. There may be circumstances in which the report differs from the expected form and content. If, for any reason, we are unable to complete the compilation of your financial statements, we will not issue a report on such statements as a result of this engagement.

You agree to include our accountant's compilation report in any document containing financial statements that indicates that we have performed a compilation engagement on such financial statements and, prior to the inclusion of the report, to ask our permission to do so.

Other Relevant Information

You are also responsible for all management decisions and responsibilities and for designating an individual with suitable skills, knowledge, and experience to oversee our accounting services and the preparation of your financial statements. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

Stacey R. Edgmon, is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

We estimate that our fees for these services will be \$32,000 per year. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the work performed. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

North Coast Railroad Authority
September 4, 2018

Other Relevant Information - Continued

You agree to hold us harmless and to release, indemnify, and defend us from any liability or costs, including attorney's fees, resulting from management's knowing misrepresentations to us.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you acknowledge and agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,



Aycock and Edgmon
Certified Public Accountants

Acknowledged:
North Coast Railroad Authority

Date