



## K. MCKEE & COMPANY

Financial, Tax and Business Services

---

February 20<sup>th</sup>, 2023

Mendocino Coast Health Care District  
775 River Road  
Fort Bragg, CA 95437

RE: 2023 Engagement Letter

Dear Jade Tippet,

This letter is to confirm and specify the terms of our engagement with you and to clarify the nature and extent of services we will provide.

We will perform the services listed on exhibit A.

We will not audit or review your financial statements as those terms are defined in generally accepted auditing standards or any other accounting documents and information you provide. We will not verify the data you submit for accuracy or completeness. Rather, we will rely on the accuracy and completeness of the documents and information you provide to us.

You are responsible for designing and implementing controls to prevent and detect fraud and informing us about all known or suspected fraud impacting the company. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

Our engagement cannot be relied on to disclose errors, irregularities, or illegal acts, including fraud or embezzlements, that may exist. However, we will inform the appropriate level of management specifically designated by you, of any material errors that come to our attention and any irregularities or illegal acts that come to our attention, unless they are clearly inconsequential.

In order for us to complete this engagement in a timely and efficient manner we require unrestricted access to all documents concerning your financial transactions including but not limited to bank statements, canceled checks, summaries of deposits and sales, a listing of accounts payable and accounts receivable, leases, loans and any other financial information necessary that impacts your accounting records. If you keep records in QuickBooks or other accounting software you agree to have the most current updates, patches etc. such that your system will be compatible with the current operating system standards.

Our fee for these services will be based upon the amount of time required at our standard billing rate of \$105 per hour, plus out-of-pocket expenses, with \$750 minimum billed by ACH monthly. All invoices are due upon presentation and are payable via ACH payment. The authorization is provided herein. Annual renewal will be automatic 5% Increase without 30-day notice in writing. You may terminate your services to fall on the final day of the billing cycle (last day of the month) of termination request.

Our maximum liability to you arising for any reason relating to services rendered under this letter

---

205 S Main Street Fort Bragg, CA 95437

T (707) 961-1562 F (707) 409~6214 [www.KmckeeCo.com](http://www.KmckeeCo.com)



**K. MCKEE & COMPANY**

Financial, Tax and Business Services

shall be limited to the amount of fees you paid for the month for these services. In the event of a claim by a third party relating to services under this letter, you will indemnify us from all such claims, liabilities, costs, and expenses, except to the extent determined to have resulted from our intentional or deliberate misconduct.

If any dispute arises (between/among) the parties hereto, the parties agree first to try in good faith to settle the dispute through non-binding mediation. The costs of mediation shall be shared equally by the parties.

The parties agree that, if any dispute cannot be settled through mediation, the dispute may then be brought before a court of competent jurisdiction, but the matter will ultimately be decided by the court, sitting without a jury. The parties recognize they have *knowingly* and *voluntarily* agreed to waive all rights to have any such dispute determined by a jury, but otherwise retain all rights afforded under the applicable civil justice system.

This Agreement, and the rights and obligations of the Parties hereunder, shall be governed by and construed in accordance with the laws of California.

This Agreement is fully and voluntarily entered by the Parties. Each Party states that he, she, or it has read this Agreement, has obtained advice of counsel if he, she, or it so desired, understands all of this Agreement, and executes this Agreement voluntarily and of his, her, or its own free will and accord with full knowledge of the legal significance and consequences of this Agreement.

To confirm that you agree with the services and terms of this engagement, please sign where indicated at the bottom of this letter and return a signed copy to us. Should you have any questions regarding these requirements or provisions, please feel free to contact us.

Sincerely,

*Kristine McKee*

Signed on behalf of

K. McKee & Company, Inc.

ACCEPTED AND AGREED TO BY:

Client Name: \_\_\_\_\_

By: \_\_\_\_\_

Client Signature



# K. MCKEE & COMPANY

Financial, Tax and Business Services

## ENGAGEMENT AGREEMENT **EXHIBIT A** – SERVICES AND FEES

Service	Fees
<p><b>ESTIMATED COSTS:</b></p> <ol style="list-style-type: none"> <li>1. MONTHLY SUBSCRIPTION TO ACCOUNTING SOFTWARE - \$35 (3 USER LOGINS ASSIGNED)</li> <li>2. MONTHLY SUBSCRIPTION TO PAYROLL SERVICES FOR ELECTRONIC TAX PAYMENTS, FILINGS (EFILE), DIRECT DEPOSIT AND EMPLOYEE PAYROLL PORTALS: \$35.00 FLAT FEE, PLUS \$8 PER EMPLOYEE</li> <li>3. MINIMUM BOOKKEEPING FEE \$750 PER MONTH, BILLED AT \$105 PER AN HOUR.</li> </ol>	<p>\$105 per hour/\$750 Per Month +Plus Subscription/ License Fees</p>
<p><b>ON BOARDING PROCESS:</b></p> <ol style="list-style-type: none"> <li>4. SETUP CLOUD BASED ACCOUNTING SYSTEM – QUICKBOOKS ONLINE</li> <li>5. PROVIDE APPROVED ACCESS USERS FROM BOARD</li> <li>6. MINI TRAINING AND INTRODUCTION TO BOARD MEMBERS WITH ACCESS</li> <li>7. ORDER COMPUTER CHECK STOCK AND CORRESPONDING ENVELOPES</li> <li>8. LINK BANKING FOR AUTOMATIC DAILY IMPORT INTO SYSTEM</li> <li>9. SETUP WORKFLOW APPROVAL PROCESS FOR VENDOR PAYMENT PROCESS</li> </ol>	<p>Included</p>
<p><b>PROCESS ACCOUNT PAYABLE:</b></p> <ol style="list-style-type: none"> <li>10. CLASS AND CODE TO GL BY REVENUE SEGMENTS EXPENDITURES</li> <li>11. EMAIL APPROVAL WORKFLOW</li> <li>12. SETUP PREAPPROVAL RECURRING PAYMENTS (IE LOANS, UTILITIES ETC)</li> <li>13. ELECTRONIC PAYMENT BASED ON EMAIL APPROVAL WORKFLOW <ul style="list-style-type: none"> <li>• Issue checks for signature if necessary</li> <li>• Obtain W9's for subcontractors prior to payment release</li> </ul> </li> </ol>	<p>Included</p>

205 S Main Street Fort Bragg, CA 95437

T (707) 961-1562 F (707) 409~6214 www.KmckeeCo.com



# K. MCKEE & COMPANY

Financial, Tax and Business Services

## ENGAGEMENT AGREEMENT **EXHIBIT A** – SERVICES AND FEES CONTINUED

Service	Fees
<b>PROCESS ACCOUNTS RECEIVABLE:</b> 14. CLASS AND CODE TO GL BY REVENUE SEGMENTS INCOME 15. BILLING REQUIRED FOR REIMBURSEMENTS THROUGH LEASE AGREEMENT, IF ANY.	INCLUDED
<b>PAYROLL:</b> 16. ESTABLISH EMPLOYER ID FOR FEDERAL AND STATE IF NECESSARY 17. SETUP EFTPS AND EDD REQUIRED ACCOUNT WITH THE US TREASURY AND EMPLOYMENT DEVELOPMENT DEPARTMENT 18. PROVIDE NEW HIRE PACKAGE (W4, I9, CONTACT RECORD) 19. PROVIDE EMPLOYEES WITH PAYROLL PORTAL, THEY CAN ACCESS THEIR PAYSTUBS, W2 AND ACCRUED BENEFITS 24/7 20. DIRECT DEPOSIT FOR STAFF 21. HANDLE WORKERS COMPENSATION INSURANCE ANNUAL AUDIT 22. PROCESS PAYMENT FOR PAYROLL TAXES TO APPROPRIATE GOVERNMENT AGENCY 23. FILE QUARTERLY AND ANNUAL PAYROLL TAX FILINGS	INCLUDED
<b>MONTH-END CLOSE AND REPORTS:</b> 24. RECONCILE WORKING CAPITAL ACCOUNTS MONTHLY (BANK, RECEIVABLE, INVENTORY IF ANY, PAYABLES, OTHER CURRENT ASSETS AND LIABILITIES). 25. RECONCILE ALL REVENUE ACCOUNTS 26. RECONCILE EXPENDITURES GREATER THAN 5% OF REVENUE 27. ISSUE FINANCIAL REPORTS PER AGREED SCHEDULE	INCLUDED
<b>QUARTERLY:</b> 28. RECONCILE LONG TERM ASSETS AND LIABILITIES 29. RECONCILE REMAINDER INCOME STATEMENT ACCOUNTS NOT COMPLETED MONTHLY	INCLUDED
<b>ANNUAL:</b> 30. 1099'S TO SUBCONTRACTORS	INCLUDED
<b>INCOME TAX RETURNS</b> 31. INCOME TAXES- BILLED SEPARATELY AND WILL BE BASED UPON THE TIME REQUIRED AT OUR REGULAR TAX RATE	STANDARD TAX HOURLY RATE
<b>CLIENT RESPONSIBLE:</b> TO BE DETERMINED THROUGH WORKFLOW DEVELOPMENT	

205 S Main Street Fort Bragg, CA 95437

T (707) 961-1562 F (707) 409~6214 www.KmckeeCo.com