

AMENDATORY AGREEMENT

THIS AMENDATORY AGREEMENT is made and entered into by and between the **CITY AND COUNTY OF DENVER**, a municipal corporation of the State of Colorado (the "City"), and **BDO USA, LLP**, a Delaware limited liability partnership doing business at 303 E. 17th Avenue, Suite 600, Denver, Colorado 80203 (the "Contractor").

WITNESSETH:

WHEREAS, the City and the Contractor previously entered into an Agreement dated December 20, 2021 relating to audit of the City's financial statements (the "Agreement"); and

WHEREAS, the parties now have determined that additional work that was not included in the work set forth at Exhibit B due to changes in the number of major program grants awarded to the City by the Federal government causing a requirement to audit more grants than expected; and

WHEREAS, the additional work will require additional compensation;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and obligations herein set forth, the parties agree as follows:

1. The additional Budget is attached hereto and incorporated herein as **Exhibit B-1** and all references to "**Exhibit B**" are hereby amended to read "**Exhibits B and B-1 as applicable**".

2. Paragraph 4 of the Agreement, entitled "COMPENSATION AND PAYMENT," is amended to read as follows:

4. COMPENSATION AND PAYMENT:

a. Fee: The Contractor's sole compensation for its services rendered and costs incurred if all Renewal Terms are effected, under the Agreement is Three Million Six Hundred Sixty Four Thousand Nine Hundred Twelve Dollars and Ten Cents (\$3,664,912.10) and annually shall not exceed the budget for the corresponding Annual Term to be paid based on monthly invoicing as described in this Paragraph 4. Amounts billed may not exceed the rates for each audit set forth in **Exhibits B and B-1 as applicable**.

b. Reimbursable Expenses: All of the Contractor's expenses are contained in the rates budget in **Exhibits B and B-1 as applicable**.

c. Invoicing: Contractor shall provide the City with monthly invoices in a format and with a level of detail acceptable to the City including all supporting documentation required by the City. The City's Prompt Payment

Ordinance, §§ 20-107 to 20-118, D.R.M.C., applies to invoicing and payment under this Agreement.

d. Maximum Contract Amount:

(i) Notwithstanding any other provision of the Agreement, the City's maximum payment obligation if all renewal terms are effected will not exceed Three Million Six Hundred Sixty Four Thousand Nine Hundred Twelve Dollars and Ten Cents (\$3,664,912.10) (the "Maximum Contract Amount"). The City is not obligated to execute an Agreement or any amendments for any further services, including any services performed by Contractor beyond that specifically described in **Exhibit A**. Any services performed beyond those in **Exhibit A** are performed at Contractor's risk and without authorization under the Agreement.

(ii) The City's payment obligation, whether direct or contingent, extends only to funds appropriated annually by the Denver City Council, paid into the Treasury of the City, and encumbered for the purpose of the Agreement. The City does not by this Agreement irrevocably pledge present cash reserves for payment or performance in future fiscal years. The Agreement does not and is not intended to create a multiple-fiscal year direct or indirect debt or financial obligation of the City.

3. Except as herein amended, the Agreement is affirmed and ratified in each and every particular.

Remainder of page left intentionally blank.

Contract Control Number: AUDIT-202263499-01/ 202158986-01
Contractor Name: BDO USA LLP

IN WITNESS WHEREOF, the parties have set their hands and affixed their seals at Denver, Colorado as of:

SEAL

CITY AND COUNTY OF DENVER:

ATTEST:

By:

APPROVED AS TO FORM:

REGISTERED AND COUNTERSIGNED:

Attorney for the City and County of Denver

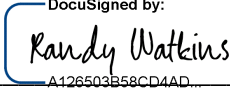
By:

By:

By:

Contract Control Number:
Contractor Name:

AUDIT-202263499-01/ 202158986-01
BDO USA LLP

By:  _____
A126503B58CD4AD...

Name: Randy watkins
(please print)

Title: _____
(please print)

ATTEST: [if required]

By: _____

Name: _____
(please print)

Title: _____
(please print)

Rates and Anticipated Hours by Staff Level

Audit Program	Partner		Director		Manager		Senior		Staff	
	Hours	Rate	Hours	Rate	Hours	Rate	Hours	Rate	Hours	Rate
Comprehensive Annual Financial Report	335	\$315	460	\$210	525	\$150	745	\$120	1435	\$83
Single Audit (15 Programs)	150	\$315	187.5	\$210	187.5	\$150	360	\$120	517.5	\$83

Assumptions and Other Considerations

OUR INVESTMENT IN THE CITY MEANS:

- ▣ BDO is willing to invest in our long-term business relationship with the City. Accordingly, we will absorb certain service and non-recurring costs, including working with you to prepare for the audit services.
- ▣ We will schedule quarterly update meetings with you throughout the year.
- ▣ We will provide technical updates for your finance team.

FEE ASSUMPTIONS

Our fee estimate is based on the following assumptions:

- ▣ Key documents are provided on the dates agreed and there are no significant delays outside of our control.
- ▣ Your personnel prepare schedules and analyses as requested and are available to assist us as needed.
- ▣ No significant changes occur in the internal accounting controls, accounting systems, key personnel, or structure of the organization.

There are no material acquisitions.

We guarantee the proposed fees within unless there are significant changes in the City's operations. Any increase in the audit fee will be immediately disclosed. Significant changes are defined as:

- Changes in key personnel
- Additional debt issuances
- Significant capital projects
- Additional grant requirement resulting in expanded compliance procedures
- Addition of Major Funds to the basic financial statements
- Implementation of new GASB Standards

The table below represents the hourly fees for out-of-scope work. BDO will agree with the City, in writing, prior to commencement of such work.

Professional Level	Quoted Hourly Rates	Standard Hourly Rate
Partner	\$315	\$550
Director	\$210	\$360
Manager	\$150	\$255
Senior Associate	\$120	\$220
Staff	\$83	\$160

Standard hourly rates will increase by 3% each audited year after 2021.

Exhibit B Compensation and Payment

Fees

Our charges for the audit of the financial statements of the City and County of Denver (the “City”) for the services described in Exhibit A for the year ending December 31, 2021, will not exceed \$489,500 billable and payable pursuant to the terms of this contract and Denver law.

Our charges for the Single Audit procedures described in Exhibit A for the year ending December 31, 2021, will not exceed \$134,000, including 10 major programs; an additional \$13,400 may be charged for additional major programs audited, not to exceed \$67,000, billable and payable pursuant to the terms of this contract and Denver law. The charge for additional major program audits performed in excess of 10 major programs performed as part of the Single Audit will increase by 3% each audited year after 2021.

Fees proposed for these services for each of the years ended December 31 are listed in the following table.

Audit Year	Audit of Annual Comprehensive Financial Report	Single Audit (Assumes 10 Programs)	Not to Exceed Amount for Additional Programs (over 10)	Total
2021	\$489,500	\$134,000	\$67,000	\$690,500
2022	\$504,100	\$138,000	\$69,010	\$711,110
2023	\$519,200	\$142,100	\$71,080.30	\$732,380.30
2024	\$534,700	\$146,300	\$73,212.71	\$754,212.71
2025	\$550,700	\$150,600	\$75,409.09	\$776,709.09

We will reserve dates to be determined upon mutual agreement for our team to perform the services outlined in these engagements. If we are not supplied with complete and accurate data on a timely basis we reserve the right to reschedule our services based upon our availability.

The following is an agreed-upon schedule of invoices for the above fees:

		Audit of ACFR	Single Audit
Start of interim fieldwork	11/1/2021	\$ 170,000	\$ 47,500
Start of final fieldwork	3/15/2022	244,750	67,000
Final invoice	6/30/2022	74,750	86,500
		\$ 489,500	\$ 201,000