



**NEVADA COMMISSION for the RECONSTRUCTION of the V&T RAILWAY
("V&T Railway Commission")
Agenda Report**

Date Submitted: 08/21/21

Meeting Date Requested: 08/26/21

Time Requested: 5 Minutes

To: NEVADA COMMISSION for the RECONSTRUCTION of the V&T RAILWAY Commissioners

From: David Peterson

Subject Title: Discussion and possible action regarding approval of Contract No. FY22-C001, with Casey Neilon, Inc., to provide external audit services, for a total not to exceed amount of \$80,945.

Staff Summary: Approval for contracting external audit services, by Casey Neilon, Inc., through December 31, 2025.

Type of Action Requested:

Resolution

Ordinance

Formal Action/Motion

Other (Specify) Presentation Only

Recommended Board Action:

I move to approve the contract for external audit services by Casey Neilon through December 21, 2025.

Applicable Statute, Code, Policy, Rule or Regulation: n/a

Fiscal Impact: \$80,945

Explanation of Impact: If approved, the contract will decrease the audit account in FY22 through FY26.

Funding Source: 53090-000 Audit

Supporting Material/Attachments: FY22-C001 Casey Neilon V&T Railway External Audit Services Contract

Prepared By: Allyson Bolton, Atypical Consulting and Events

PROFESSIONAL SERVICES CONSULTANT AGREEMENT

CONTRACT No. FY22-C001

Title: FY21-FY25 FINANCIAL STATEMENT AUDITS

THIS CONTRACT made and entered into this 26th day of August, 2021, by and between Nevada Commission for the Reconstruction of the V&T Railway (V&T Railway Commission), hereinafter referred to as "**COMMISSION**", and Casey Neilon, Inc., hereinafter referred to as "**CONSULTANT**".

WITNESSETH:

WHEREAS, the V&T Railway **COMMISSION** is authorized pursuant to Nevada Revised Statutes (hereinafter referred to as "NRS") Chapters 332 and 338 to approve and accept this Contract as set forth in and by the following provisions; and

WHEREAS, this Contract is for consulting services from one or more certified public accountants; and

WHEREAS, this Contract (does involve) (**does not involve _X_**) a "public work" construction project, which pursuant to NRS 338.010(17) means any project for the new construction, repair or reconstruction of an applicable project financed in whole or in part from public money; and

WHEREAS, CONSULTANT'S compensation under this agreement (does) (**does not X**) utilize in whole or in part money derived from one or more federal grant funding source(s); and

WHEREAS, it is deemed necessary that the services of **CONSULTANT** for **CONTRACT No. FY22-C001** (hereinafter referred to as "Contract") are both necessary and in the best interest of **COMMISSION**; and

NOW, THEREFORE, in consideration of the aforesaid premises, and the following terms, conditions and other valuable consideration, the parties mutually agree as follows:

1. REQUIRED APPROVAL:

This Contract shall not become effective until and unless approved by the V&T Railway Commission, all required documents are received and signed by all parties.

2. SCOPE OF WORK (Incorporated Contract Documents):

2.1 **CONSULTANT** shall provide and perform the following services set forth in **Exhibit A**, which shall all be attached hereto and incorporated herein by reference for and on behalf of **COMMISSION** and hereinafter referred to as the "SERVICES".

2.2 **CONSULTANT** represents that it is duly licensed by Carson City for the purposes of performing the SERVICES.

2.3 **CONSULTANT** represents that it is duly qualified and licensed in the State of Nevada for the purposes of performing the SERVICES.

2.4 **CONSULTANT** represents that it and/or the persons it may employ possess all skills and training necessary to perform the SERVICES described herein and required hereunder. **CONSULTANT** shall perform the SERVICES faithfully, diligently, in a timely and professional manner, to the best of its ability, and in such a manner as is customarily performed by a person who is in the business of providing such services in similar circumstances. **CONSULTANT** shall be responsible for the professional quality and technical accuracy of all SERVICES furnished by **CONSULTANT** to **COMMISSION**.

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2.5 **CONSULTANT** represents that neither the execution of this Contract nor the rendering of services by **CONSULTANT** hereunder will violate the provisions of or constitute a default under any other contract or agreement to which **CONSULTANT** is a party or by which **CONSULTANT** is bound, or which would preclude **CONSULTANT** from performing the SERVICES required of **CONSULTANT** hereunder, or which would impose any liability or obligation upon **COMMISSION** for accepting such SERVICES.

2.6 Before commencing with the performance of any work under this Contract, **CONSULTANT** shall obtain all necessary permits and licenses as may be necessary. Before and during the progress of work under this Contract, **CONSULTANT** shall give all notice and comply with all the laws, ordinances, rules and regulations of every kind and nature now or hereafter in effect promulgated by any Federal, State, County, or other Governmental Authority, relating to the performance of work under this Contract. If **CONSULTANT** performs any work that is contrary to any such law, ordinance, rule or regulation, it shall bear all the costs arising therefrom.

2.7 **COMMISSION Responsibilities:**

2.7.1 **COMMISSION** shall make available to **CONSULTANT** all technical data that is in **COMMISSION'S** possession, reasonably required by **CONSULTANT** relating to the SERVICES.

2.7.2 **COMMISSION** shall provide access to and make all provisions for **CONSULTANT** to enter upon public and private lands, to the fullest extent permitted by law, as reasonably required for **CONSULTANT** to perform the SERVICES.

2.7.3 **COMMISSION** shall examine all reports, correspondence, and other documents presented by **CONSULTANT** upon request of **COMMISSION**, and render, in writing, decisions pertaining thereto within a reasonable time so as not to delay the work of **CONSULTANT**.

2.7.4 It is expressly understood and agreed that all work done by **CONSULTANT** shall be subject to inspection and acceptance by **COMMISSION** and approval of SERVICES shall not forfeit the right of **COMMISSION** to require correction, and nothing contained herein shall relieve **CONSULTANT** of the responsibility of the SERVICES required under the terms of this Contract until all SERVICES have been completed and accepted by **COMMISSION**.

3. **CONTRACT TERM:**

3.1 This Contract shall be effective from August 26, 2020, subject to V&T Railway Commission's approval to December 31, 2025, unless sooner terminated by either party as specified in **Section 7** (CONTRACT TERMINATION).

4. **NOTICE:**

4.1 Except any applicable bid and award process where notices may be limited to postings by **COMMISSION** on its Bid Opportunities website (vtrailway.com), all notices or other communications required or permitted to be given under this Contract shall be in writing and shall be deemed to have been duly given if delivered personally in hand, by e-mail, by regular mail, by telephonic facsimile with simultaneous regular mail, or by certified mail, return receipt requested, postage prepaid on the date posted, and addressed to the other party at the address specified below.

4.2 Notice to **CONSULTANT** shall be addressed to:

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Suzanne Olsen, CPA
Casey Neilon, Inc.
503 N. Division St.
Carson City, NV 89703-4104
775-283-5555
solsen@CaseyNeilon.com

4.3 Notice to **COMMISSION** shall be addressed to:

V&T Railway Commission
David Peterson, Chairman
P.O. Box 1711
Carson City, NV 89702
dpeterson@visitcarsoncity.com

5. COMPENSATION:

5.1 The parties agree that **CONSULTANT** will provide the SERVICES specified in **Section 2** (SCOPE OF WORK) and **COMMISSION** agrees to pay **CONSULTANT** the Contract's compensation based upon the Scope of Work Fee Schedule for a not to exceed maximum amount of eighty thousand nine hundred and forty-five dollars (\$80,945.00), and hereinafter referred to as "Contract Sum".

5.2 The Scope of Work Fee Schedule, as specified in **Section 2** (SCOPE OF WORK) and Exhibit A, attached hereto and incorporated herein by reference, provides that the **COMMISSION** shall make the following payments to **CONSULTANT** upon completion of the below listed financial statement audits:

- June 30, 2021 Financial Statement \$15,250.00
- June 30, 2022 Financial Statement \$15,700.00
- June 30, 2023 Financial Statement \$16,175.00
- June 30, 2024 Financial Statement \$16,660.00
- June 30, 2025 Financial Statement \$17,160.00

5.3 Contract Sum represents full and adequate compensation for the completed SERVICES and includes the furnishing of all materials; all labor, equipment, tools, and appliances; and all expenses, direct or indirect, connected with the proper execution of the SERVICES.

5.4 **COMMISSION** has provided a sample invoice and **CONSULTANT** shall submit its request for payment using said sample invoice.

5.5 Payment by **COMMISSION** for the SERVICES rendered by **CONSULTANT** shall be due within thirty (30) calendar days from the date **COMMISSION** acknowledges that the performance meets the requirements of this Contract or from the date the correct, complete, and descriptive invoice is received by **COMMISSION** employee designated on the sample invoice, whichever is the later date.

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5.6 **COMMISSION** does not agree to reimburse **CONSULTANT** for expenses unless otherwise specified.

6. TIMELINESS OF BILLING SUBMISSION:

6.1 The parties agree that timeliness of billing is of the essence to this Contract and recognize that **COMMISSION** is on a fiscal year which is defined as the period beginning July 1 and ending June 30 of the following year. All billings for dates of service prior to July 1 must be submitted to **COMMISSION** no later than the first Friday in August of the same year. A billing submitted after the first Friday in August will subject **CONSULTANT** to an administrative fee not to exceed \$100.00. The parties hereby agree this is a reasonable estimate of the additional costs to **COMMISSION** of processing the billing as a stale claim and that this amount will be deducted from the stale claim payment due to **CONSULTANT**.

7. CONTRACT TERMINATION:

7.1 Termination Without Cause:

7.1.1 Any discretionary or vested right of renewal notwithstanding, this Contract may be terminated upon written notice by mutual consent of both parties or unilaterally by either party without cause.

7.1.2 **COMMISSION** reserves the right to terminate this Contract for convenience whenever it considers termination, in its sole and unfettered discretion, to be in the public interest. In the event that the Contract is terminated in this manner, payment will be made for SERVICES actually completed. If termination occurs under this provision, in no event shall **CONSULTANT** be entitled to anticipated profits on items of SERVICES not performed as of the effective date of the termination or compensation for any other item, including but not limited to, unabsorbed overhead. **CONSULTANT** shall require that all subcontracts which it enters related to this Contract likewise contain a termination for convenience clause which precludes the ability of any subconsultant to make claims against **CONSULTANT** for damages due to breach of contract, of lost profit on items of SERVICES not performed or of unabsorbed overhead, in the event of a convenience termination.

7.2 Termination for Nonappropriation:

7.2.1 All payments and SERVICES provided under this Contract are contingent upon the availability of the necessary public funding, which may include various internal and external sources. In the event that V&T Railway Commission does not acquire and appropriate the funding necessary to perform in accordance with the terms of the Contract, the Contract shall automatically terminate upon **COMMISSION'S** notice to **CONSULTANT** of such nonappropriation, and no claim or cause of action may be based upon any such nonappropriation.

7.3 Cause Termination for Default or Breach:

7.3.1 A default or breach may be declared with or without termination.

7.3.2 This Contract may be terminated by either party upon written notice of default or breach to the other party as follows:

7.3.2.1 If **CONSULTANT** fails to provide or satisfactorily perform any of the conditions, work, deliverables, goods, or any SERVICES called for by this Contract within the time requirements specified in this Contract or within any granted extension of those time requirements; or

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7.3.2.2 If any state, county, city or federal license, authorization, waiver, permit, qualification or certification required by statute, ordinance, law, or regulation to be held by **CONSULTANT** to provide the goods or SERVICES or any services required by this Contract is for any reason denied, revoked, debarred, excluded, terminated, suspended, lapsed, or not renewed; or

7.3.2.3 If **CONSULTANT** becomes insolvent, subject to receivership, or becomes voluntarily or involuntarily subject to the jurisdiction of the bankruptcy court; or

7.3.2.4 If **COMMISSION** materially breaches any material duty under this Contract and any such breach impairs **CONSULTANT'S** ability to perform; or

7.3.2.5 If it is found by **COMMISSION** that any quid pro quo or gratuities in the form of money, services, entertainment, gifts, or otherwise were offered or given by **CONSULTANT**, or any agent or representative of **CONSULTANT**, to any officer or employee of **COMMISSION** with a view toward securing a contract or securing favorable treatment with respect to awarding, extending, amending, or making any determination with respect to the performing of such contract; or

7.3.2.6 If it is found by **COMMISSION** that **CONSULTANT** has failed to disclose any material conflict of interest relative to the performance of this Contract.

7.4 Time to Correct (Declared Default or Breach):

7.4.1 Termination upon a declared default or breach may be exercised only after providing seven (7) calendar days written notice of default or breach, and the subsequent failure of the defaulting or breaching party, within five (5) calendar days of providing that default or breach notice, to provide evidence satisfactory to the aggrieved party demonstrating that the declared default or breach has been corrected. Time to correct shall run concurrently with any notice of default or breach and such time to correct is not subject to any stay with respect to the nonexistence of any Notice of Termination. Untimely correction shall not void the right to termination otherwise properly noticed unless waiver of the noticed default or breach is expressly provided in writing by the aggrieved party. There shall be no time to correct with respect to any notice of termination without cause or termination for nonappropriation.

7.5 Winding Up Affairs Upon Termination:

7.5.1 In the event of termination of this Contract for any reason, the parties agree that the provisions of this **Subsection 7.5** (Winding Up Affairs Upon Termination) survive termination:

7.5.1.1 The parties shall account for and properly present to each other all claims for fees and expenses and pay those which are undisputed and otherwise not subject to set off under this Contract. Neither party may withhold performance of winding up provisions solely based on nonpayment of fees or expenses accrued up to the time of termination; and

7.5.1.2 **CONSULTANT** shall satisfactorily complete SERVICES in progress at the agreed rate (or a pro rata basis if necessary) if so requested by **COMMISSION**; and

7.5.1.3 **CONSULTANT** shall execute any documents and take any actions necessary to effectuate an assignment of this Contract if so requested by **COMMISSION**; and

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7.5.1.4 **CONSULTANT** shall preserve, protect, and promptly deliver into **COMMISSION** possession all proprietary information in accordance Section 19 (**COMMISSION OWNERSHIP OF PROPRIETARY INFORMATION**).

7.6 Notice of Termination:

7.6.1 Unless otherwise specified in this Contract, termination shall not be effective until seven (7) calendar days after a party has provided written notice of default or breach, or notice of without cause termination. Notice of Termination may be given at the time of notice of default or breach, or notice of without cause termination. Notice of Termination may be provided separately at any time after the running of the 7-day notice period, and such termination shall be effective on the date the Notice of Termination is provided to the party unless a specific effective date is otherwise set forth therein. Any delay in providing a Notice of Termination after the 7-day notice period has run without a timely correction by the defaulting or breaching party shall not constitute any waiver of the right to terminate under the existing notice(s).

8. REMEDIES:

Except as otherwise provided for by law or this Contract, the rights and remedies of the parties shall not be exclusive and are in addition to any other rights and remedies provided by law or equity, including, without limitation, actual damages, and to a prevailing party reasonable attorney's fees and costs. The parties agree that, in the event a lawsuit is filed and a party is awarded attorney's fees by the court, for any reason, the amount of recoverable attorney's fees shall not exceed the rate of \$200 per hour. **COMMISSION** may set off consideration against any unpaid obligation of **CONSULTANT** to **COMMISSION**.

9. LIMITED LIABILITY:

COMMISSION will not waive and intends to assert available NRS Chapter 41 liability limitations in all cases. Contract liability of both parties shall not be subject to punitive damages. Liquidated damages shall not apply unless otherwise expressly provided for elsewhere in this Contract. Damages for any **COMMISSION** breach shall never exceed the amount of funds appropriated for payment under this Contract, but not yet paid to **CONSULTANT**, for the fiscal year budget in existence at the time of the breach. **CONSULTANT'S** tort liability shall not be limited.

10. FORCE MAJEURE:

Neither party shall be deemed to be in violation of this Contract if it is prevented from performing any of its obligations hereunder due to strikes, failure of public transportation, civil or military authority, act of public enemy, accidents, fires, explosions, or acts of God, including, without limitation, earthquakes, floods, winds, or storms. In such an event the intervening cause must not be through the fault of the party asserting such an excuse, and the excused party is obligated to promptly perform in accordance with the terms of this Contract after the intervening cause ceases.

11. INDEMNIFICATION:

11.1 To the extent permitted by law, including, but not limited to, the provisions of NRS Chapter 41, each party shall indemnify, hold harmless and defend, not excluding the other's right to participate, the other party from and against all liability, claims, actions, damages, losses, and expenses, including but not limited to reasonable attorney's fees and costs, arising out of any alleged negligent or willful acts or omissions of the indemnifying party, its officers, employees and agents. Such obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of the indemnity which would otherwise exist as to any party or person described in this Section.

11.2 As required by NRS 338.155, if this Contract involves a "public work" construction project as defined above, **CONSULTANT** shall defend, indemnify and hold harmless the **COMMISSION**, and the employees, officers and agents of the public body from any liabilities, damages, losses, claims, actions or proceedings, including

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without limitation, reasonable attorney's fees, to the extent that such liabilities, damages, losses, claims, actions or proceedings are caused by the negligence, errors, omissions, recklessness or intentional misconduct of the **CONSULTANT** or the employees or agents of the **CONSULTANT** in the performance of the Contract. Such obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of the indemnity which would otherwise exist as to any party or person described in this section. However, with respect to any anticipated benefits to **COMMISSION** resulting from the Scope of Work, **CONSULTANT** shall not be responsible or liable to **COMMISSION** for any warranties, guarantees, fitness for a particular purpose or loss of anticipated profits resulting from any termination of this Contract. Additionally, **CONSULTANT** shall not be responsible for acts and decisions of third parties, including governmental agencies, other than **CONSULTANT'S** subcontractors, that impact project completion and/or success.

11.3 Except as otherwise provided in **Subsection 11.5** below, the indemnifying party shall not be obligated to provide a legal defense to the indemnified party, nor reimburse the indemnified party for the same, for any period occurring before the indemnified party provides written notice of the pending claim(s) or cause(s) of action to the indemnifying party, along with:

11.3.1 a written request for a legal defense for such pending claim(s) or cause(s) of action; and

11.3.2 a detailed explanation of the basis upon which the indemnified party believes that the claim or cause of action asserted against the indemnified party implicates the culpable conduct of the indemnifying party, its officers, employees, and/or agents.

11.4 After the indemnifying party has begun to provide a legal defense for the indemnified party, the indemnifying party shall not be obligated to fund or reimburse any fees or costs provided by any additional counsel for the indemnified party, including counsel through which the indemnified party might voluntarily choose to participate in its defense of the same matter.

11.5 After the indemnifying party has begun to provide a legal defense for the indemnified party, the indemnifying party shall be obligated to reimburse the reasonable attorney's fees and costs incurred by the indemnified party during the initial thirty (30) day period of the claim or cause of action, if any, incurred by separate counsel.

12. **INDEPENDENT CONTRACTOR:**

12.1 **CONSULTANT**, as an independent contractor, is a natural person, firm or corporation who agrees to perform SERVICES for a fixed price according to his or its own methods and without subjection to the supervision or control of the **COMMISSION**, except as to the results of the SERVICES, and not as to the means by which the SERVICES are accomplished.

12.2 It is mutually agreed that **CONSULTANT** is associated with **COMMISSION** only for the purposes and to the extent specified in this Contract, and in respect to performance of the contracted SERVICES pursuant to this Contract. **CONSULTANT** is and shall be an independent contractor and, subject only to the terms of this Contract, shall have the sole right to supervise, manage, operate, control, and direct performance of the details incident to its duties under this Contract.

12.3 Nothing contained in this Contract shall be deemed or construed to create a partnership or joint venture, to create relationships of an employer-employee or principal-agent, or to otherwise create any liability for **COMMISSION** whatsoever with respect to the indebtedness, liabilities, and obligations of **CONSULTANT** or any other party.

12.4 **CONSULTANT**, in addition to **Section 11** (INDEMNIFICATION), shall indemnify and hold **COMMISSION** harmless from, and defend **COMMISSION** against, any and all losses, damages, claims, costs, penalties, liabilities, expenses arising out of or incurred in any way because of, but not limited to, **CONSULTANT'S** obligations or legal duties regarding any taxes, fees, assessments, benefits, entitlements, notice of benefits, employee's eligibility to work, to any third party, subcontractor, employee, state, local or federal governmental entity.

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12.5 Neither **CONSULTANT** nor its employees, agents, or representatives shall be considered employees, agents, or representatives of **COMMISSION**.

13. INSURANCE REQUIREMENTS (GENERAL):

13.1 NOTICE: The following general insurance requirements shall apply unless these general requirements are altered by any specific requirements set forth in COMMISSION'S solicitation for bid document, the adopted bid or other document incorporated into this Contract by the parties.

13.2 **CONSULTANT**, as an independent contractor and not an employee of **COMMISSION**, must carry policies of insurance in amounts specified and pay all taxes and fees incident hereunto. **COMMISSION** shall have no liability except as specifically provided in this Contract.

13.3 **CONSULTANT** shall not commence work before: (1) **CONSULTANT** has provided the required evidence of insurance to **COMMISSION**, and (2) **COMMISSION** has approved the insurance policies provided by **CONSULTANT**.

13.4 Prior approval of the insurance policies by **COMMISSION** shall be a condition precedent to any payment of consideration under this Contract and **COMMISSION'S** approval of any changes to insurance coverage during the course of performance shall constitute an ongoing condition subsequent this Contract. Any failure of **COMMISSION** to timely approve shall not constitute a waiver of the condition.

13.5 *Insurance Coverage (13.6 through 13.23):*

13.6 **CONSULTANT** shall, at **CONSULTANT'S** sole expense, procure, maintain and keep in force for the duration of this Contract the following insurance conforming to the minimum requirements specified below. Unless specifically specified herein or otherwise agreed to by **COMMISSION**, the required insurance shall be in effect prior to the commencement of work by **CONSULTANT** and shall continue in force as appropriate until the later of:

13.6.1 Final acceptance by **COMMISSION** of the completion of this Contract; or

13.6.2 Such time as the insurance is no longer required by **COMMISSION** under the terms of this Contract.

13.6.3 Any insurance or self-insurance available to **COMMISSION** under its coverage(s) shall be in excess of and non-contributing with any insurance required from **CONSULTANT**. **CONSULTANT'S** insurance policies shall apply on a primary basis. Until such time as the insurance is no longer required by **COMMISSION**, **CONSULTANT** shall provide **COMMISSION** with renewal or replacement evidence of insurance no less than thirty (30) calendar days before the expiration or replacement of the required insurance. If at any time during the period when insurance is required by this Contract, an insurer or surety shall fail to comply with the requirements of this Contract, as soon as **CONSULTANT** has knowledge of any such failure, **CONSULTANT** shall immediately notify **COMMISSION** and immediately replace such insurance or bond with an insurer meeting the requirements.

13.7 *General Insurance Requirements (13.8 through 13.23):*

13.8 **Certificate Holder:** Each certificate shall list V&T Railway Commission, P.O. Box 1711, Carson City, NV 89702 as a certificate holder.

13.9 **Additional Insured:** By endorsement to the general liability insurance policy evidenced by **CONSULTANT**, The **COMMISSION** and County of Carson City, Nevada, its officers, employees and immune contractors shall be named as additional insureds for all liability arising from this Contract.

13.10 **Waiver of Subrogation:** Each liability insurance policy, except for professional liability, shall provide for a waiver of subrogation in favor of **COMMISSION**.

13.11 **Cross-Liability:** All required liability policies shall provide cross-liability coverage as would be achieved

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under the standard ISO separation of insureds clause.

13.12 **Deductibles and Self-Insured Retentions:** Insurance maintained by **CONSULTANT** shall apply on a first dollar basis without application of a deductible or self-insured retention unless otherwise specifically agreed to by **COMMISSION**. Such approval shall not relieve **CONSULTANT** from the obligation to pay any deductible or self-insured retention. Any deductible or self-insured retention shall not exceed \$5,000.00 per occurrence, unless otherwise approved by **COMMISSION**.

13.13 **Policy Cancellation:** Except for ten (10) calendar days' notice for non-payment of premium, **CONSULTANT** or its insurers must provide thirty (30) calendar days prior written notice to V&T Railway Commission if any policy will be canceled, non-renewed or if required coverage and /or limits reduced or materially altered, and shall provide that notices required by this paragraph shall be sent by mail to V&T Railway Commission, P.O. Box 1711, Carson City, NV 89702. When available, each insurance policy shall be endorsed to provide thirty (30) days' notice of cancellation, except for ten (10) days' notice for non-payment of premium, to **COMMISSION**.

13.14 **Approved Insurer:** Each insurance policy shall be issued by insurance companies authorized to do business in the State of Nevada or eligible surplus lines insurers under federal and Nevada law and having agents in Nevada upon whom service of process may be made, and currently rated by A.M. Best as "A-VII" or better.

13.15 **Evidence of Insurance:** Prior to commencement of work, **CONSULTANT** must provide the following documents to V&T Railway Commission, P.O. Box 1711, Carson City, NV 89702:

13.16 **Certificate of Insurance:** **CONSULTANT** shall furnish **COMMISSION** with a certificate(s) of insurance, executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements set forth herein. The Accord 25 Certificate of Insurance form or a form substantially similar must be submitted to V&T Railway Commission to evidence the insurance policies and coverages required of **CONSULTANT**.

13.17 **Additional Insured Endorsement:** An Additional Insured Endorsement (CG20 10 or C20 26), signed by an authorized insurance company representative, must be submitted to V&T Railway Commission to evidence the endorsement of **COMMISSION** as an additional insured per Subsection 13.9 (Additional Insured).

13.18 **Schedule of Underlying Insurance Policies:** If Umbrella or Excess policy is evidenced to comply with minimum limits, a copy of the Underlying Schedule from the Umbrella or Excess insurance policy may be required.

13.19 **Review and Approval:** Documents specified above must be submitted for review and approval by **COMMISSION** prior to the commencement of work by **CONSULTANT**. Neither approval by **COMMISSION** nor failure to disapprove the insurance furnished by **CONSULTANT** shall relieve **CONSULTANT** of **CONSULTANT'S** full responsibility to provide the insurance required by this Contract. Compliance with the insurance requirements of this Contract shall not limit the liability of **CONSULTANT** or its subcontractors, employees or agents to **COMMISSION** or others, and shall be in addition to and not in lieu of any other remedy available to **COMMISSION** under this Contract or otherwise. **COMMISSION** reserves the right to request and review a copy of any required insurance policy or endorsement to assure compliance with these requirements.

13.20 **COMMERCIAL GENERAL LIABILITY INSURANCE:**

CONSULTANT shall maintain commercial general liability (CGL) and, if necessary, commercial umbrella insurance with a limit of not less than \$1,000,000 each occurrence.

13.20.1 *Minimum Limits required:*

13.20.2 Two Million Dollars (\$2,000,000.00) - General Aggregate.

13.20.3 Two Million Dollars (\$2,000,000.00) - Products & Completed Operations Aggregate.

13.20.4 One Million Dollars (\$1,000,000.00) - Each Occurrence.

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- 13.20.5 CGL insurance shall be written on ISO occurrence form CG 00 01 04 13 (or a substitute form providing equivalent coverage) and shall cover liability arising from premises, operations, products-completed operations, personal and advertising injury, and liability assumed under an insured contract [(including the tort liability of another assumed in a business contract)].
- 13.20.6 COMMISSION, its officers, employees and immune contractors shall be included as an insured under the CGL, using ISO additional insured endorsement CG 20 10 or CG 20 26, or a substitute providing equivalent coverage, and under the commercial umbrella, if any.
- 13.20.7 This insurance shall apply as primary insurance with respect to any other insurance or self-insurance programs afforded to COMMISSION. There shall be no endorsement or modification of the CGL to make it excess over other available insurance; alternatively, if the CGL states that it is excess or pro rata, the policy shall be endorsed to be primary with respect to the additional insured.
- 13.20.8 There shall be no endorsement or modification of the CGL limiting the scope of coverage for liability assumed under a contract.
- 13.20.9 Consultant waives all rights against COMMISSION and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the commercial general liability or commercial umbrella liability insurance maintained pursuant to this Contract. Insurer shall endorse CGL policy as required to waive subrogation against COMMISSION with respect to any loss paid under the policy.
- 13.21 **BUSINESS AUTOMOBILE LIABILITY INSURANCE:**
- 13.21.1 *Minimum Limit required:*
- 13.21.2 Consultant shall maintain automobile liability and, if necessary, commercial umbrella liability insurance with a limit of not less than \$1,000,000 each accident for bodily injury and property damage.
- 13.21.3 Such insurance shall cover liability arising out of owned, hired, and non-owned autos (as applicable). Coverage as required above shall be written on ISO form CA 00 01, CA 00 05, CA 00 25, or a substitute form providing equivalent liability coverage.
- 13.21.4 Consultant waives all rights against COMMISSION and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the automobile liability or other liability insurance obtained by **CONSULTANT** pursuant this Contract.
- 13.22 **PROFESSIONAL LIABILITY INSURANCE**
- 13.22.1 *Minimum Limit required:*
- 13.22.2 **CONSULTANT** shall maintain professional liability insurance applying to all activities performed under this Contract with limits not less than One Million Dollars (\$1,000,000.00) and Two Million Dollars (\$2,000,000) in the aggregate.
- 13.22.3 Retroactive date: Prior to commencement of the performance of this Contract.
- 13.22.4 **CONSULTANT** will maintain professional liability insurance during the term of this Contract and for a period of three (3) years after termination of this Contract unless waived by the COMMISSION. In the event of non-renewal or other lapse in coverage during the term of this Contract or the three (3) year period described above,

PROFESSIONAL SERVICES CONSULTANT AGREEMENT

CONTRACT No. FY22-C001

Title: FY21-FY25 FINANCIAL STATEMENT AUDITS

CONSULTANT shall purchase Extended Reporting Period coverage for claims arising out of **CONSULTANT's** negligence acts, errors and omissions committed during the term of the Professional Liability Policy. The Extended Reporting Period shall continue through a minimum of three (3) years after termination date of this Contract.

13.22.5 A certified copy of this policy may be required.

13.23 WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY INSURANCE:

13.23.1 **CONSULTANT** shall provide workers' compensation insurance as required by NRS Chapters 616A through 616D inclusive and Employer's Liability insurance with a minimum limit not less than \$1,000,000 each accident for bodily injury by accident or \$1,000,000 each employee for bodily injury by disease.

13.23.2 **CONSULTANT** may, in lieu of furnishing a certificate of an insurer, provide an affidavit indicating that **CONSULTANT** is a sole proprietor; that **CONSULTANT** will not use the services of any employees in the performance of this Contract; that **CONSULTANT** has elected to not be included in the terms, conditions, and provisions of NRS Chapters 616A-616D, inclusive; and that **CONSULTANT** is otherwise in compliance with the terms, conditions, and provisions of NRS Chapters 616A-616D, inclusive.

13.23.3 **CONSULTANT** waives all rights against COMMISSION and its agents, officers, directors, and employees for recovery of damages to the extent these damages are covered by the workers' compensation and employer's liability or commercial umbrella liability insurance obtained by Consultant pursuant to this Contract. Consultant shall obtain an endorsement equivalent to WC 00 03 13 to affect this waiver.

14. BUSINESS LICENSE:

14.1 **CONSULTANT** shall not commence work before **CONSULTANT** has provided a copy of its Carson City business license to V&T Railway Commission.

14.2 The Carson City business license shall continue in force until the later of: (1) final acceptance by **COMMISSION** of the completion of this Contract; or (2) such time as the Carson City business license is no longer required by **COMMISSION** under the terms of this Contract.

15. COMPLIANCE WITH LEGAL OBLIGATIONS:

CONSULTANT shall procure and maintain for the duration of this Contract any state, county, city, or federal license, authorization, waiver, permit, qualification or certification required by statute, ordinance, law, or regulation to be held by **CONSULTANT** to provide the goods or SERVICES or any services of this Contract. **CONSULTANT** will be responsible to pay all government obligations, including, but not limited to, all taxes, assessments, fees, fines, judgments, premiums, permits, and licenses required or imposed by law or a court. Real property and personal property taxes are the responsibility of **CONSULTANT** in accordance with NRS Chapter 361 generally and NRS 361.157 and 361.159, specifically regarding for profit activity. **CONSULTANT** agrees to be responsible for payment of any such government obligations not paid by its subcontractors during performance of this Contract. **COMMISSION** may set-off against consideration due any delinquent government obligation.

16. WAIVER OF BREACH:

Failure to declare a breach or the actual waiver of any particular breach of this Contract or its material or nonmaterial terms by either party shall not operate as a waiver by such party of any of its rights or remedies as to any other breach.

17. SEVERABILITY:

PROFESSIONAL SERVICES CONSULTANT AGREEMENT

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If any provision contained in this Contract is held to be unenforceable by a court of law or equity, this Contract shall be construed as if such provision did not exist and the nonenforceability of such provision shall not be held to render any other provision or provisions of this Contract unenforceable.

18. ASSIGNMENT / DELEGATION:

To the extent that any assignment of any right under this Contract changes the duty of either party, increases the burden or risk involved, impairs the chances of obtaining the performance of this Contract, attempts to operate as a novation, or includes a waiver or abrogation of any defense to payment by **COMMISSION**, such offending portion of the assignment shall be void, and shall be a breach of this Contract. **CONSULTANT** shall neither assign, transfer nor delegate any rights, obligations or duties under this Contract without the prior written approval of **COMMISSION**. The parties do not intend to benefit any third-party beneficiary regarding their respective performance under this Contract.

19. COMMISSION OWNERSHIP OF PROPRIETARY INFORMATION:

Any files, reports, histories, studies, tests, manuals, instructions, photographs, negatives, blue prints, plans, maps, data, system designs, computer programs, computer codes, and computer records (which are intended to be consideration under this Contract), or any other documents or drawings, prepared or in the course of preparation by **CONSULTANT** (or its subcontractors) in performance of its obligations under this Contract shall be the exclusive property of **COMMISSION** and all such materials shall be delivered into **COMMISSION** possession by **CONSULTANT** upon completion, termination, or cancellation of this Contract. **CONSULTANT** shall not use, willingly allow, or cause to have such materials used for any purpose other than performance of **CONSULTANT'S** obligations under this Contract without the prior written consent of **COMMISSION**. Notwithstanding the foregoing, **COMMISSION** shall have no proprietary interest in any materials licensed for use by **COMMISSION** that are subject to patent, trademark or copyright protection.

20. PUBLIC RECORDS:

Pursuant to NRS 239.010, information or documents received from **CONSULTANT** may be open to public inspection and copying. **COMMISSION** will have the duty to disclose unless a particular record is made confidential by law or a common law balancing of interests. **CONSULTANT** may clearly label specific parts of an individual document as a "trade secret" or "confidential" in accordance with NRS 332.061, provided that **CONSULTANT** thereby agrees to indemnify and defend **COMMISSION** for honoring such a designation. The failure to so label any document that is released by **COMMISSION** shall constitute a complete waiver of any and all claims for damages caused by any release of the records.

21. CONFIDENTIALITY:

CONSULTANT shall keep confidential all information, in whatever form, produced, prepared, observed or received by **CONSULTANT** to the extent that such information is confidential by law or otherwise required by this Contract.

22. FEDERAL FUNDING:

22.1 In the event federal grant funds are used for payment of all or part of this Contract:

22.1.1 **CONSULTANT** certifies, by signing this Contract, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency. This certification is made pursuant to the regulations implementing Executive Order 12549, Debarment and Suspension, 28 C.F.R. pt. 67, § 67.510, as published as pt. VII of the May 26, 1988, Federal Register (pp. 19160-19211), and any relevant program-specific regulations. This provision shall be required of every subcontractor receiving any payment in whole or in part from federal funds.

22.1.2 **CONSULTANT** and its subcontractors must be registered in the US Government System for Award Management (SAM) for verification on projects with federal funding.

PROFESSIONAL SERVICES CONSULTANT AGREEMENT

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22.1.3 **CONSULTANT** and its subcontractors shall comply with all terms, conditions, and requirements of the Americans with Disabilities Act of 1990 (P.L. 101-136), 42 U.S.C. 12101, as amended, and regulations adopted thereunder contained in 28 C.F.R. 26.101-36.999, inclusive, and any relevant program-specific regulations.

22.1.4 **CONSULTANT** and its subcontractors shall comply with the requirements of the Civil Rights Act of 1964, as amended, the Rehabilitation Act of 1973, P.L. 93-112, as amended, and any relevant program-specific regulations, and Executive Order 11478 (July 21, 2014) and shall not discriminate against any employee or offeror for employment because of race, national origin, creed, color, sex, sexual orientation, gender identity, religion, age, disability or handicap condition (including AIDS and AIDS-related conditions).

22.1.5 If and when applicable to the particular federal funding and the Scope of Work under this Contract, **CONSULTANT** and its subcontractors shall comply with: American Iron and Steel (AIS) provisions of P.L. 113-76, Consolidated Appropriations Act, 2014, Section 1605 – Buy American (100% Domestic Content of iron, steel and manufactured goods); Federal Highway Administration (FHWA) 23 U.S.C. § 313 – Buy America, 23 C.F.R. §635.410 (100% Domestic Content of steel, iron and manufactured products); Federal Transit Administration (FTA) 49 U.S.C. § 5323(j), 49 C.F.R. Part 661 – Buy America Requirements (See 60% Domestic Content for buses and other Rolling Stock).

23. **LOBBYING:**

23.1 The parties agree, whether expressly prohibited by federal law, or otherwise, that no funding associated with this Contract will be used for any purpose associated with or related to lobbying or influencing or attempting to lobby or influence for any purpose the following:

23.1.1 Any federal, state, county or local agency, legislature, commission, council or board;

23.1.2 Any federal, state, county or local legislator, commission member, council member, board member, or other elected official; or

23.1.3 Any officer or employee of any federal, state, county or local agency; legislature, commission, council or board.

24. **GENERAL WARRANTY:**

CONSULTANT warrants that it will perform all SERVICES required hereunder in accordance with the prevailing standard of care by exercising the skill and care normally required of individuals performing the same or similar SERVICES, under the same or similar circumstances, in the State of Nevada.

25. **PROPER AUTHORITY:**

The parties hereto represent and warrant that the person executing this Contract on behalf of each party has full power and authority to enter into this Contract. **CONSULTANT** acknowledges that this Contract is effective only after approval by the V&T Railway Commission Board and only for the period of time specified in this Contract. Any SERVICES performed by **CONSULTANT** before this Contract is effective or after it ceases to be effective is performed at the sole risk of **CONSULTANT**.

26. **ALTERNATIVE DISPUTE RESOLUTION (Public Work):**

If the SERVICES under this Contract involve a “public work” as defined under NRS 338.010(17), then pursuant to NRS 338.150, a public body charged with the drafting of specifications for a public work shall include in the specifications a clause requiring the use of a method of alternative dispute resolution (“ADR”) before initiation of a judicial action if a

PROFESSIONAL SERVICES CONSULTANT AGREEMENT

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dispute arising between the public body and the **CONSULTANT** engaged on the public work cannot otherwise be settled. Therefore, unless ADR is otherwise provided for by the parties in any other incorporated attachment to this Contract, in the event that a dispute arising between **COMMISSION** and **CONSULTANT** regarding that public work cannot otherwise be settled, **COMMISSION** and **CONSULTANT** agree that, before judicial action may be initiated, **COMMISSION** and **CONSULTANT** will submit the dispute to non-binding mediation. **COMMISSION** shall present **CONSULTANT** with a list of three potential mediators. **CONSULTANT** shall select one person to serve as the mediator from the list of potential mediators presented by **COMMISSION**. The person selected as mediator shall determine the rules governing the mediation.

27. GOVERNING LAW / JURISDICTION:

This Contract and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Nevada, without giving effect to any principle of conflict-of-law that would require the application of the law of any other jurisdiction. **CONSULTANT** consents and agrees to the jurisdiction of the courts of the State of Nevada located in Carson City, Nevada for enforcement of this Contract.

28. ENTIRE CONTRACT AND MODIFICATION:

This Contract and its integrated attachment(s) constitute the entire Contract of the parties and such are intended as a complete and exclusive statement of the promises, representations, negotiations, discussions, and other Contracts that may have been made in connection with the subject matter hereof. Unless an integrated attachment to this Contract specifically displays a mutual intent to amend a particular part of this Contract, general conflicts in language between any such attachment and this Contract shall be construed consistent with the terms of this Contract. Unless otherwise expressly authorized by the terms of this Contract, no modification or amendment to this Contract shall be binding upon the parties unless the same is in writing and signed by the respective parties hereto and approved by the V&T Railway Commission Board. Conflicts in language between this Contract and any other agreement between **COMMISSION** and **CONSULTANT** on this same matter shall be construed consistent with the terms of this Contract. The parties agree that each has had their respective counsel review this Contract which shall be construed as if it was jointly drafted.

**PROFESSIONAL SERVICES CONSULTANT AGREEMENT
CONTRACT No. FY22-C001
Title: FY21-FY25 FINANCIAL STATEMENT AUDITS**

29. ACKNOWLEDGMENT AND EXECUTION:

This Contract may be executed in counterparts. The parties hereto have caused this Contract to be signed and intend to be legally bound thereby as follows:

COMMISSION

V&T Railway Commission
David Peterson, Chairman
P.O. Box 1711
Carson City, Nevada 89702
Telephone: 775-686-9037
dpeterson@visitcarsoncity.com

COMMISSION'S LEGAL COUNSEL

Michael S. Rowe
I have reviewed this Contract and approve
as to its legal form.

By: _____
David Peterson, Chairman

By: _____
Michael S. Rowe

Dated _____

Dated _____

PROFESSIONAL SERVICES CONSULTANT AGREEMENT

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Undersigned deposes and says under penalty of perjury: That he/she is **CONSULTANT** or authorized agent of **CONSULTANT**; that he/she has read the foregoing Contract; and that he/she understands the terms, conditions and requirements thereof.

CONSULTANT

BY: Suzanne Olsen, CPA

TITLE: Shareholder

FIRM: Casey Neilon, Inc.

CARSON CITY BUSINESS LICENSE #: BL-

Address: 503 N. Division St.

City: Carson City **State:** NV **Zip Code:** 89703

Telephone: 775-283-5555

E-mail Address: solsen@caseyneilon.com

(Signature of Consultant)

DATED _____

STATE OF _____)

)ss

County of _____)

Signed and sworn (or affirmed before me on this _____ day of _____, 20__.

(Signature of Notary)

(Notary Stamp)

PROFESSIONAL SERVICES CONSULTANT AGREEMENT

CONTRACT No. FY22-C001

Title: FY21-FY25 FINANCIAL STATEMENT AUDITS

CONTRACT ACCEPTANCE AND EXECUTION:

The V&T Railway **COMMISSION** at their publicly noticed meeting of August 26, 2021 approved the acceptance of the attached Contract hereinbefore identified as **CONTRACT No. FY22-C001**. Further, the V&T Railway **COMMISSION** authorizes the Chairman of the **COMMISSION** to set his hand to this document and record his signature for the execution of this Contract in accordance with the action taken.

COMMISSION

David Peterson, Chairman

DATED this 26th day of August 2021.

ATTEST:

Jim Wells, Treasurer

DATED this 26th day of August 2021.

PROFESSIONAL SERVICES CONSULTANT AGREEMENT
CONTRACT No. FY22-C001
Title: FY21-FY25 FINANCIAL STATEMENT AUDITS

SAMPLE INVOICE

Invoice Number: _____
 Invoice Date: _____
 Invoice Period: _____

Invoice shall be submitted to:

V&T Railway Commission
 P.O. Box 1711
 Carson City, Nevada 89702

Line Item #	Description	Unit Cost	Units Completed	Total \$\$
Total for this invoice				

Original Contract Sum	\$ _____
Less amount previously billed	\$ _____
= contract sum prior to this invoice	\$ _____
Less this invoice	\$ _____
=Dollars remaining on Contract	\$ _____



CASEY NEILON

Tax Services, Captive Insurance,
Business Services, Trusts & Estates
Audit & Assurance

Master Copy

**PROPOSAL TO
PROVIDE PROFESSIONAL
AUDITING SERVICES**

Nevada Commission for the Reconstruction of the
V&T Railway

July 20, 2021

Contact Person:
Suzanne Olsen, CPA
503 N. Division St.
Carson City, NV 89703
(775) 283-5555 ext. 106
solsen@caseyneilon.com



July 20, 2021

V&T Railway Commission
PO Box 1711
Carson City, NV 89702

Dear V&T Railway Commission:

It is our pleasure to have the opportunity to submit this proposal to provide audit services to the Nevada Commission for the Reconstruction of the V&T Railway (the "Commission") for the years ended June 30, 2021 through June 30, 2025.

I would like to take this opportunity to introduce our company, Casey Neilon, Inc. (a Nevada corporation). We are a local public accounting firm, with offices in Reno and Carson City, that is dedicated to providing high quality accounting, auditing, and tax services to our clients. We are currently staffed with 21 employees including 9 certified public accountants and 6 non licensed accountants. Our staff has a long history of auditing private companies, state and local governmental entities and non-profits in the State of Nevada. We currently provide attest and tax services to many companies, NFPs and governmental entities with revenues ranging from a low of less than \$500,000 to a high of over \$300 million.

This proposal is valid for 90 days from July 20, 2021.

The contact person for this proposal is:

Suzanne Olsen, CPA, Shareholder
503 N Division St, Carson City, NV 89703
(775) 283-5555 ext. 106; (775) 283-0494 (fax)
solsen@caseyneilon.com

Please do not hesitate to contact me with any questions regarding this proposal.

Very truly yours,

Suzanne Olsen
Suzanne Olsen, CPA



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I Executive Summary

For over 15 years, Casey Neilon, Inc. has provided accounting services in the Northern Nevada area and around the world. Casey Neilon is focused on providing quality service that is unparalleled to other local firms. By focusing on education and national resources, the Company has become a collective of accounting professionals with technical experience and the resources necessary to perform governmental audits successfully, efficiently and on time. For additional information regarding the Company, please see the *About Us* section beginning on page 5.

Casey Neilon, Inc. believes that experience and technical skills are imperative to maintaining a high standard of client service. The engagement staff, highlighted in the *Engagement Team* section on page 15, are valued assets who maintain the Company's reputation for skillful project performance as well as effective client relationships. The staff invited to participate in the engagement are educated, motivated and knowledgeable. Prior engagements that the Company has completed can be found on page 7 in the *About Us* section and the most recent peer review opinion is in the *Peer Review Report* section on page 18. A list of references is in the *References* section on page 17.

Our purpose as auditors is to understand the organization's processes and controls sufficiently, provide regular status updates and deliver the final report on time. Our plans to achieve each of these tasks are described in the *Audit Plan and Scope of Services* and *Deliverables* sections of this report, pages 10 and 8, respectively.

We appreciate the opportunity to provide you with a proposal to audit the Nevada Commission for the Reconstruction of the V&T Railway for the years ending June 30, 2021, 2022, 2023, 2024 and 2025 and assert that this document meets the requirements of the Statement of Qualifications.

2 About Us

Casey Neilon, Inc. is a Nevada public accounting firm, with offices located in Reno and Carson City. The staff in each office work cooperatively, and the engagement would be staffed with employees of both the Reno and Carson City offices. The Company was formed in 2006 as the result of a demerger from a large regional accounting firm. From our inception, the Company has grown in size and experience and we currently have 21 staff members.

Women and minority owned – We are committed to a diverse workplace that values all employees. We actively seek to recruit, employee and promote top talent.



Education - The Company is committed to the education and technical growth of our staff, and all staff that would be assigned to your engagement have had significant accounting and auditing education in the form of in-house seminars, self-study, and attendance at local and national conferences. This dedication to continuing education is a focal point of our firm. All members of our proposed engagement team receive more than the minimum required education under professional standards, and all of our professional staff (including non-licensed staff) receive in excess of 40 hours per year in total continuing education, which exceeds the requirements under state law and professional standards. We encourage our staff to obtain continuing professional education in fields appropriate to the type of accounting work that they are providing; therefore, our senior staff have governmental and non-profit specific education.

National resources - We provide national firm resources and capabilities through our affiliation with Alliot Group North America, an association of over 100 public accounting and legal firms worldwide. The Alliot Group is an exclusive worldwide association of independent accounting, legal and consulting firms founded to pursue excellence and quality in accounting and business consulting services. Management and staff from these firms work with us to provide the requisite industry and service expertise when required. These resources differentiate us from other firms as we can provide the staffing and price of a local firm, but also have the resources of a national organization to assist with technical issues.

Independence - We are independent of the Nevada Commission for the Reconstruction of the V&T Railway Financial Statements and have no professional relationships that would constitute a conflict of interest. Additionally, we have no client relationships that may have a financial interest in the outcome of the audit, and we commit to provide you with written notice of any professional relationships entered into during the period of this engagement that may cause a conflict of interest.

Licensing - The firm and all key professional staff are properly licensed to provide accounting and auditing services in the State of Nevada.

Insurance - We carry the following coverage:

Commercial general liability \$2,000,000 each occurrence, \$4,000,000 aggregate

Workers' compensation statutory

Professional liability \$2,000,000 per claim, \$4,000,000 policy aggregate

Record retention - All records related to the engagement will be maintained in accordance with the Company's record retention policy of seven years and will be available to the Commission or its designees for examination upon request.

Key performance parameters - We focus on the following key performance parameters:

- *Provide the most beneficial management comments possible* – The training provided to our upper-level staff in management advisory skills is unique and valuable.
- *Provide excellent client service* – We are dedicated to the ongoing needs of our clients. We go to great lengths to customize our services to fit our clients' specific needs.



- *Develop strong client relationships* – We have an excellent client retention record and our reputation in the State of Nevada is excellent.
- *Maintain efficiency* – We continue to strive to train our audit staff on audit efficiency principles.
- *Maximize partner involvement* – Our partners are involved in all aspects of our engagements, from planning to fieldwork to final review.

Firm Principals and Key Personnel

Darsi Casey, CPA, MST

Nicola Neilon, CPA, CGMA

Suzanne Olsen, CPA

Lucas Gonzalez, CPA

Leslie Kidd, CPA

Debra Vaughan

Engagement Personnel

The Company proposes that the following personnel would be assigned to the audit of the Commission:

Shareholder in charge – Suzanne Olsen, CPA, resume included (lead auditor and project manager)

Compliance shareholder – Nicola Neilon, CPA, CGMA, resume included

Manager/In charge - Tharon Kalt, CPA, resume included

Staff Continuity

Key engagement personnel are expected to remain consistent throughout your engagements. Staff accountants may vary from year to year due to the natural progression from staff accountant to manager. It is not cost effective for multiple managers to be involved on a single engagement. If the current manager were to be removed from the engagement for any reason, the replacement would be an employee who has been previously staffed on your company's audit.

We are committed to this staff continuity as we believe it increases efficiency and ensures that your engagement's personnel include staff most familiar with your company and its industry.

Continuing Education

All staff working on, or associated with, the engagement to audit the Commission meet the continuing education requirements of professional standards and have obtained significant hours of continuing education in the field of governmental auditing and accounting.

Governmental Experience

The Company has been engaged to perform the following governmental engagements (this list is not exhaustive):



- State of Nevada, Public Employees' Benefit Program, Self-Insurance Trust Fund; financial statement audit; June 30, 2006 – 2020
- State of Nevada, Insurance Premium Trust Fund; financial statement audit; June 30, 2006 – 2020
- State of Nevada, Public Employees' Benefit Program, State Retirees Health and Welfare Benefit Fund; financial statement audit; June 30, 2008 – 2020
- State of Nevada, Retirement Benefits Investment ("Fund"); financial statement audit; June 30, 2013 – 2020
- Tahoe Douglas District; financial statement audit; June 30, 2014 – 2020
- Public Compensation Mutual; financial statement audit; December 31, 2007 – 2020
- Public Risk Mutual; financial statement audit; December 31, 2004 – 2020
- Minden Gardnerville Sanitation District; financial statement audit; June 30, 2016 – June 30, 2020
- Nevada State Board of Medical Examiners; financial statement audit; December 31, 2019
- State of Nevada, Nevada Public Employees Deferred Compensation Program; financial statement audit; June 30, 2019 – 2020
- State of Nevada, Nevada FICA Alternative Deferred Compensation Plan; financial statement audit; June 30, 2019 – 2020
- Nevada State Board of Podiatry; financial statement audit; June 30, 2020
- Nevada State Board of Professional Engineers and Land Surveyors; financial statement audit; June 30, 2020
- Carson City Culture and Tourism Authority; financial statement audit; June 30, 2020

Prior single audit experience includes Douglas County, Carson City, and the Tahoe Regional Planning Agency.

Timeframe for Deliverables

Final reports are to be delivered to the Commission no later than November 30th. This deadline is dependent on obtaining complete, accurate and timely information from the Commission.

Work Program

This engagement plan reflects our commitment to provide the Commission with timely, efficient, and constructive audit services. It gives special attention to early identification and resolution of problems and provides for timely response on technical matters.

3 Scope of Services and Deliverables

Audit

The primary purpose of our audit is to express an opinion (examination of the financial statements) on the fairness of presentation of the financial statements of the governmental activities and each major fund of the Nevada Commission for the Reconstruction of the V&T Railway for the years ended June 30, 2021 through June 30, 2025. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America, as included in Statements on Auditing Standards published by the American Institute of Certified Public Accountants; the standards for financial audits contained in



Government Auditing Standards issued by the Comptroller General of the United States, and if applicable, a single audit in accordance with Title 2 U.S. Code of Federal Regulations (CFR) 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and any other applicable rules, regulations, or accounting standards.

Final Reports are to be delivered to the Commission no later than November 30th. This deadline is dependent on obtaining complete, accurate and timely information from the Commission.

Deliverables

The deliverables shall include:

- The auditors' report on the financial statements, required supplementary information, government wide and fund financial statements, including required disclosures and compliance reports and schedules including single audit reports and schedule of expenditures of federal awards, if necessary.
- A management letter that details any areas that we have identified that are not considered to be significant deficiencies or material weaknesses, but that could assist management in improving internal controls or operating effectiveness.
- We will provide a written communication to those charged with governance as required by AU-C Section 260 that details the significant audit findings, including:
 - qualitative aspects of accounting practices,
 - difficulties encountered in performing the audit,
 - corrected and uncorrected misstatements,
 - disagreements with management,
 - management representations,
 - management consultations with other independent accountants,
 - other audit findings or issues
- The lead auditor will provide regular progress reports on the status of each phase of the audit plan as well as any difficulties, findings or concerns discovered on a monthly basis until the final report is delivered. These progress reports will indicate whether the audit is expected to remain on the projected schedule for completion.
- A review of compliance of the Commission's financial statements for the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting.

Working Papers

All audit work papers shall be retained in accordance with our firm policy, but in no event for less than 7 years, and will be available to the Commission for examination upon request.



Additional Services

Upon request of the Commission's management, we will provide assistance and give advice regarding accounting, reporting, and updates to best practices. Advice and services that fall outside of the scope of the audit and that requires significant research or consultation may be subject to additional fees; but, as stated above, under no circumstances would any additional fees be incurred without consent of the Commission's management and amendment to the scope of this proposal. Additional services outside of the scope of the audit will be billed at our hourly rates.

Audit Policies and Procedures

Casey Neilon, Inc. utilizes framework of audit policies and procedures which enable us to perform quality work in a timely and efficient manner. These policies are designed to implement the profession's standards and utilize advanced concepts of risk identification and analysis.

Appreciation of these concepts particularly facilitates our analysis of three critical audit variables:

- Areas of specific audit risk
- Control measures in place to mitigate such risks
- The effectiveness of these controls

The quality of the audit is ultimately determined by the firm's knowledge and understanding of its client and by appropriate risk assessment procedures and tailoring of the audit plan to address the risks identified. Because Casey Neilon, Inc. is a local firm, we can effectively relate to our client's business environment and remain accessible to our clients throughout the year.

4 Audit Plan

We have prepared a preliminary plan for the audit as of June 30, 2021. The final schedule will, of course, be subject to your review and approval; we have the flexibility to make revisions as necessary to meet your needs. The following summarizes our audit approach with a description of each major phase. The work in each phase will be performed by the audit staff under the direct supervision of the project supervisor and partners.

Advance Planning (prior to year-end)

Audit planning involves all members of the audit team as required by professional standards. Advance planning involves scheduling and staffing as well as a general risk analysis and a fraud risk analysis to determine areas of general and specific concern and to identify areas where the Commission's personnel can be utilized to minimize time and maximize efficiency.

Additionally, as there would be a transition of audit firms, our initial planning would include communication with the predecessor auditor regarding matters of audit significance and a review of their workpapers to enable us to rely on the audit work performed over beginning balances. This review would also provide



us with information regarding the consistency of accounting policies and procedures and assist us in identifying matters of concern for the upcoming audit.

An effective and efficient audit must be planned to carefully analyze control procedures in place, to determine that the controls adequately safeguard assets and to ensure accurate and complete accounting data is available to promote operational efficiency and to encourage adherence to managerial policies. If effective controls are in place, we will rely on them in determining the nature, timing, and extent of audit tests to be performed. Our documentation of systems and procedures will include questionnaires and narrative descriptions of the transaction flow of major systems.

During this phase, we will obtain an understanding of the five components of internal control that is sufficient to assess the risk of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing, and extent of further audit procedures. This evaluation will be done at an opinion unit level. This evaluation will also assist us in planning the audit to obtain reasonable assurance about whether the financial statements, including note disclosures, are free of material misstatement, whether caused by error or fraud, and material misstatements arising from illegal acts that have a direct and material effect on the determination of financial statement amounts, as well as planning the audit to provide reasonable assurance of detecting material misstatements that result from violations of provisions of contracts or grant agreements that could have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.

Professional standards also require communications with other parties providing specialized services that relate to the audit.

During this phase of the audit, we will meet with the management of the Commission to identify significant business and environmental factors that impact the financial reporting of the Commission and prepare the confirmations for cash, investments, and any receivables considered necessary. Additionally, we will finalize the timetable for obtaining the records and analyses of accounts to be prepared by the association employees in anticipation of field work.

Fieldwork (September-October)

Fieldwork consists primarily of substantive testing and documentation of all significant audit areas.

The audit methodologies employed are a matter of judgment and are dependent upon our risk analysis. Our engagement team utilizes analytical procedures during our preliminary risk assessment to reduce substantive testing in low-risk areas and during substantive testing for those accounts for which reasonable expectations can be set. We utilize third party confirmations for cash, investments, and receivables, and obtain SOCI/SSAE 18 reports from service organizations to assist in identifying controls at these organizations that may reduce our required audit procedures. For accounts with a significant volume of transactions we employ a combination of statistical sampling and scope testing depending on the risk involved in the accounts. We have invested heavily in technology to ensure that data is transferred securely and that audit procedures are performed efficiently and effectively.



Draft Reports (Upon Conclusion of Fieldwork, November 15)

At the conclusion of fieldwork audit comments pertaining to the prepared draft financial statements will be forwarded to the Commission for review and comment. Once comments have been received from the Commission, the draft report will be submitted for Compliance Review.

Compliance Review (Subsequent to Receipt of the Commission's Comments, November)

The financial statements will be reviewed by a shareholder independent of fieldwork and skilled in financial reporting requirements. This review is to ensure compliance with presentation and disclosure standards as well as compliance with Firm quality control standards.

Exit Conference (November)

We will review the draft financial statements with the Commission's management. At this time, the management letter will be available for review. This letter will communicate material audit findings and recommendations affecting the financial statements, internal control system, accounting systems, computer systems and any other matters. Findings may include reportable conditions, material weaknesses and management comments as considered necessary. Discussions will occur throughout the audit cycle to keep management apprised of our findings and concerns.

Final Reports (November)

Once the draft reports have been approved by both the Commission's management and the compliance partner, electronic and hard copies of the final reports and management letter will be issued as follows:

- Seven (7) bound copies
- One (1) unbound copy
- One (1) electronic copy

Additionally, a review of compliance of the Commission's financial statements for the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting.

Board Presentation (Subsequent Board Meeting)

The financial statement audit will be presented to the Board of Directors at the subsequent board meeting.

We assert that the timelines set forth in this proposal can be achieved, and we commit to ensuring that these timelines are met, provided that all data required from the Commission is received in a timely manner.



5 Cost Proposal

Name of firm: Casey Neilon, Inc.

	Total Review Cost		
	Hours	Billable Rate (Average)	Total
Billable Hours			
Staff accountants (<i>audit fieldwork, responsible for testing, preparing audit workpapers and inquiries</i>)	25	\$105	\$3,675
Managers (<i>supervise staff and seniors, review workpapers, analytical review and risk assessment, planning, financial statement revisions, management comments</i>)	40	\$168	\$6,720
Shareholders (<i>top level file review, management comment assistance, compliance review, client contact and financial statement presentations</i>)	15	\$305	\$4,575
Total Billable Hours	80		\$14,970
Out-of-Pocket Costs			
Printing			\$280
Telephone			\$ 0
Travel			\$ 0
Clerical			\$ 0
Other (specify)			\$ 0
Total Other Expenses			\$280
Totals			\$15,250



Our proposed fee for each year of the five-year audit period would be as follows:

June 30, 2021 – not to exceed \$15,250 (as illustrated above)

June 30, 2022 – not to exceed \$15,700

June 30, 2023 – not to exceed \$16,175

June 30, 2024 – not to exceed \$16,660

June 30, 2025 – not to exceed \$17,160

The contract would include an option to extend at an increase equal to the consumer price index limited to 3% in any year.

We appreciate the opportunity to provide you with this proposal and look forward to your consideration of it. If you have any questions, do not hesitate to call us.

Very truly yours,

Suzanne Olsen

Suzanne Olsen, CPA



6 Engagement Team



NICOLA (NIKI) NEILON, CPA, CGMA

Compliance Shareholder

nneilon@caseyneilon.com

Niki is a founding shareholder and audit principal for Casey Neilon. She has over 21 years of experience in public accounting, and her areas of specialty include captive insurance companies and insurance funds, not for profits and local governments.

Licensure: NV CPA License 3279 6/30/1999

Niki is a graduate of the University of Nevada, Reno and has a graduate certificate in taxation from Golden Gate University.

Niki serves on the Board of Directors of the National Association of State Boards of Accountancy and the Board of Examiners of the American Institute of Certified Public Accountants.



SUZANNE OLSEN, CPA

Engagement Shareholder

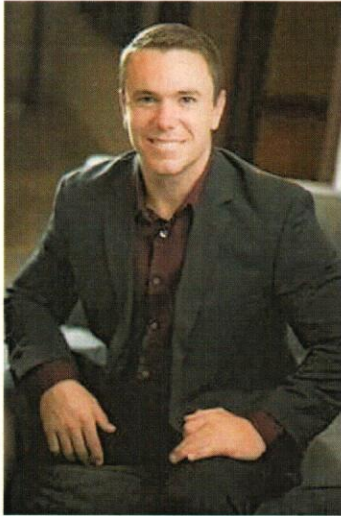
solsen@caseyneilon.com

Suzanne is a shareholder and audit principal for Casey Neilon. She has over 15 years of experience in public accounting, and her areas of specialty include captive insurance companies and insurance funds, and local governments.

Licensure: NV CPA License 5221 1/17/2012

Suzanne is a graduate of the University of Phoenix and completed the accounting licensure program at the University of Nevada, Reno.

Suzanne has served on the board of the Nevada Society of Certified Public Accountants.



THAARON KALT, CPA

Manager

tkalt@caseyneilon.com

Licensure: NV CPA License 6175 7/18/2018

Thaaron is a manager and has five years of experience in public accounting, specializing in auditing for captive insurance companies, not for profit organizations and state and local governments.

Thaaron is a graduate of the University of Nevada, Reno with both a Bachelor's of Science in Business Administration and a Master's of Accountancy.



7 References

Nevada Public Employees' Deferred Compensation Program	
Address	100 N. Stewart Street, Suite 100 Carson City, NV 89701
Contact	Rob Boehmer Executive Officer
Phone	(775) 684-3397
Email	rboehmer@defcomp.nv.gov
Carson City Culture & Tourism Authority	
Address	716 N. Carson St. Carson City, NV 89701
Contact	Chris Kipp Operations & Finance Manager
Phone	(775) 687-7410
Email	ckipp@visitcarsoncity.com
Nevada State Board of Medical Examiners	
Address	9600 Gateway Drive Reno, NV 89521
Contact	Donya Jenkins Finance Manager
Phone	(775) 324-9354
Email	djnsbme@medboard.nv.gov



8 Peer Review Report

Grant Bennett Associates

A PROFESSIONAL CORPORATION

Report on the Firm's System of Quality Control

September 26, 2017

To the Members of Casey Neilon, Inc. (formerly known as Casey, Neilon & Associates LLC) and the Peer Review Committee of the Nevada Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Casey Neilon, Inc. (formerly known as Casey, Neilon & Associates LLC) (the firm) in effect for the year ended March 31, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, and an audit of an employee benefit plan.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Casey Neilon, Inc. (formerly known as Casey, Neilon & Associates LLC) in effect for the year ended March 31, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Casey Neilon, Inc. (formerly known as Casey, Neilon & Associates LLC) has received a peer review rating of *pass*.

Grant Bennett Associates

GRANT BENNETT ASSOCIATES
A PROFESSIONAL CORPORATION
Certified Public Accountants



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