

APPENDIX A



Mayer Hoffman McCann P.C.

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June 24, 2021

Mr. John Boule
California Statewide Automated Welfare System Consortium
744 P Street MS 8-5-46
Sacramento, CA 95814

Dear Mr. Boule:

We are pleased to confirm the arrangements of our engagement and the nature of the services we will provide for California Statewide Automated Welfare System Consortium (the “Company”). This letter constitutes the entire agreement between the parties with respect to Mayer Hoffman McCann P.C.’s (“MHM”) performance of the professional services described herein.

ENGAGEMENT OBJECTIVES

We will perform the following services:

- Examine the Company’s description of its of its C-IV, CalWIN and CalSAWS systems (together, the “Systems”) as of November 19, 2021 (“As of Date”) or earlier, but no sooner than the completion of the SOC 2 Readiness engagement, based on the criteria set forth in DC200, 2018 Description Criteria for a Description of a Service Organization’s System in a SOC 2[®] Report (description criteria), and the suitability of design of controls included in the description as of November 19, 2021 to provide reasonable assurance that the service organization’s service commitments and system requirements were achieved based on the applicable trust services for the security, availability, processing integrity, confidentiality and privacy categories set forth in TSP section 100, 2017 *Trust Services Principles, Criteria, and Illustrations for Security, Availability, Processing Integrity, Confidentiality, and Privacy* (AICPA, Trust Services Criteria) as of November 19, 2021.
- Examine the Company’s description of its Systems throughout the periods as outlined in “Exhibit A” (the “Periods”) to this letter, are based on the criteria set forth in DC200, 2018 Description Criteria for a Description of a Service Organization’s System in a SOC 2[®] Report (description criteria), and the suitability of design and operating effectiveness of controls included in the description throughout the Periods to provide reasonable assurance that the service organization’s service commitments and system requirements were achieved based on the applicable trust services for the security, availability, processing integrity, confidentiality and privacy categories set forth in TSP section 100, 2017 *Trust Services Principles, Criteria, and Illustrations for Security, Availability, Processing Integrity, Confidentiality, and Privacy* (AICPA, Trust Services Criteria).

The SOC 2 Type 1 and SOC 2 Type 2 examinations described above do not provide a legal determination of the Company’s compliance with laws and regulations related to privacy or its compliance with the commitments in its statement of privacy practices.



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The objectives of our examination are to obtain reasonable assurance about whether in all material respects

- a. the description presented the Systems that were designed and implemented at the As of Date (Type 1) and throughout the Periods (Type 2), in accordance with the criteria.
- b. the controls state in the description were suitably designed throughout the Periods to provide reasonable assurance that the service organization's service commitments and system requirements would be achieved based on the applicable trust services criteria if its controls operated effectively throughout the Periods (Type 2 only), if the subservice organization and user entities applied the complementary controls assumed in the design of the service organization's controls throughout the period.
- c. the controls stated in the description operated effectively throughout the period to provide reasonable assurance that the service organization's service commitments and system requirements were achieved based on the applicable trust services criteria (Type 2 only).

The Company's description of the System includes controls of multiple Subservice Organizations (together, the "Subservice Organizations"), which are independent service organizations that provide application management, development and hosting services to the Company. As a result, our examination will extend to the description and related controls, as described, for both the Company and the Subservice Organization. You understand that it is your responsibility for communicating with the Subservice Organization regarding the nature of our engagement and that we will be contacting them in the near future to arrange a mutually convenient time to perform our procedures. You also understand that the use of inclusive method requires management of the Subservice Organization to acknowledge and accept responsibility for the description of its System and written assertion, identifying risks that threaten the achievement of the trust services criteria, and providing us access to relevant information and personnel. Our fees assume that the Subservice Organization will make appropriate management and staff available and provide documentation that will allow us to adequately perform our procedures.

The description indicates that certain applicable trust services criteria specified in the description can be achieved only if complementary user-entity controls contemplated in the design of the Company's controls are suitably designed and operating effectively, along with related controls at the Company. Our examination will not include the evaluation of the suitability of the design or operating effectiveness of such complementary user-entity controls.

OUR RESPONSIBILITIES

Our examination will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants ("AICPA"). Accordingly, it will include examining, on a test basis, your records and other procedures to obtain evidence to enable us to express our opinions, in all material respects, about whether (1) the description presents the Systems that were designed and implemented at the As of Date (Type 1) and through the Periods (Type 2) in accordance with the description criteria, (2) the controls stated in the description were suitably designed at the As of Date (Type 1) and throughout the Periods (Type 2) to provide reasonable assurance that the service commitments and system requirements would be achieved based on the applicable trust services criteria if the controls operated effectively throughout the Periods (Type 2), and (3) the controls tested, which were those necessary to provide reasonable assurance that the service organization's service commitments and system requirements based on the applicable trust services criteria, operated effectively throughout the Periods (Type 2). If the description indicates that certain service commitments and requirements based on the applicable trust services criteria specified in the description can be achieved only if complementary subservice organization and user entity controls contemplated in the design of the service organization's controls are suitably designed and operating effectively, along with related controls at the service

organization, we will not evaluate the suitability of design or operating effectiveness of such complementary subservice organization and user entity controls. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify one or both opinions or add an emphasis-of-matter or other-matter paragraph. If our opinion(s) is other than unmodified, we will discuss the reasons with management in advance. If, for any reason, we are unable to complete an examination, or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of one or both engagements.

The description is prepared to meet the common needs of a broad range of report users and may not, therefore, include every aspect of the systems that individual users may consider important to meet their information needs. There are inherent limitations in the effectiveness of any system of internal controls, including the possibility of human error and the circumvention of controls. Because of their nature, controls may not always operate effectively (Type 2) to provide reasonable assurance that the service organization's service commitments and requirements are achieved based on the applicable trust services criteria. Also, the projection of any conclusions about the suitability of design and operating effectiveness of controls is subject to the risk that controls may become inadequate because of changes in the conditions or that the degree of compliance with policies or procedures may deteriorate.

We will plan and perform each examination to obtain reasonable assurance about whether the description is free from material misstatement, based on the description criteria, and whether controls are suitably designed and operating effectively to provide reasonable assurance that the service organization's service commitments and requirements were achieved based on the applicable trust services criteria. Our procedures will include obtaining evidence about the fairness of the presentation of the description based on the description criteria set forth in the Company's assertions and the suitability of the design (Type 1 and Type 2) and operating effectiveness (Type 2) of the controls to meet the Company's service commitments, system requirements, and the applicable trust services criteria. Our examination will include procedures to assess the risks that the description is not fairly presented and that the controls were not suitably designed (Type 1 and Type 2) and operating effectiveness (Type 2) to meet the applicable trust services criteria. We will also evaluate the overall presentation of the description.

Because of the inherent limitations of an examination, combined with the inherent limitations of internal controls, and because we will not perform a detailed examination of all aspects and transactions of the System, there is a risk that certain elements of the description may not be fairly presented and that certain controls may not be suitably designed, operate effectively and detected by us, even though the examination is properly planned and performed in accordance with attestation standards established by the AICPA.

In addition, an examination is not designed to detect all instances of noncompliance with laws and regulations, fraud, or material errors attributable to management or other Company personnel. We will inform the appropriate level of management and those charged with governance of any material errors or fraud that comes to our attention. We will also inform the appropriate level of management and those charged with governance of any violations of laws or governmental regulations or other illegal acts that come to our attention, unless clearly inconsequential.

The services described above do not relieve management or those charged with governance of their responsibilities.

THOSE CHARGED WITH GOVERNANCE

The description of the System and the suitability of the design of the controls to meet the applicable trust services criteria are the responsibility of management with oversight from those charged with governance. Those charged with governance are also responsible for resolving disagreements between management and us regarding the engagement, appointing us to perform the services described above, and informing us about all known or suspected fraud that could impact our examination. In turn, we will provide those charged with governance with any communications required by the professional standards described above.

MANAGEMENT'S RESPONSIBILITIES

Management is responsible for all management decisions and performing all management functions, and for designating an individual, preferably from senior management, with suitable skill, knowledge, or experience, to oversee these services, any bookkeeping services, tax services, or other services we or our associated company CBIZ MHM, LLC provides. Management is responsible for evaluating the adequacy and results of the services performed and accepting responsibility for them.

Management is responsible for making all information required for our examinations available to us and for the accuracy and completeness of that information. Management is also responsible for providing us with (a) access to all information they are aware of that is relevant to our examinations, (b) additional information that we may request for the purpose of these engagements, and (c) unrestricted access to persons within the Company from whom we determine it necessary to obtain information. Management will present its description of the System in a written report. Management is responsible for the description of the System and for establishing and maintaining effective internal controls, including monitoring ongoing activities.

Management is responsible for communicating with the affected user entities about any instances of material errors, fraud, violation of laws or governmental regulations or other illegal acts and for providing us with evidence or support for such communication, unless the instance is clearly inconsequential.

During the course of our engagements, we will request information and explanations from management regarding the Company. At the conclusion of our engagements, we will require, as a precondition to the issuance of our respective reports, that management provide certain representations in a written representation letter. We will also require certain representations from management of the Subservice Organizations. The procedures we will perform in our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the written and oral representations that we receive from management. In view of the foregoing, the Company agrees to release MHM, its shareholders, and other personnel from any liability and costs relating to our services under this letter resulting from false or misleading representations made to us by any member of the Company's management.

Management is responsible for providing a written assertion that will be included in, or attached to the Company's description of the Systems. Management is also responsible for:

- Preparing the description and assertion, including the completeness, accuracy, and method of presentation of the description and assertion in accordance with the criteria in the AICPA Guide *Reporting on Controls at a Service Organization Relevant to Security, Availability, Processing Integrity, Confidentiality, or Privacy*
- Providing the services covered by the description
- Having a reasonable basis for the assertion
- Identifying the risks that threaten the achievement of the applicable trust services criteria

- Designing, implementing, and documenting controls that are suitably designed and operating effectively to provide reasonable assurance that the applicable trust services criteria will be achieved

Management is also responsible for informing us of any:

- Actual, suspected, or alleged intentional acts by management or employees that could adversely affect the fairness of the presentation of the description of the System or the completeness or achievement of the applicable trust services criteria
- Deficiencies in the design of controls
- Instances where controls have not operated as described
- Events subsequent to the Period that could have a significant effect on the Company's assertion.

Management understands that our reports are intended solely for its use and information, others within your Company, user entities of the Systems during some or all of the Periods, business partners of the Company subject to risks arising from interactions with the Systems, practitioners providing services to such user entities and business partners, any prospective user entities of the Systems, and regulators who have sufficient knowledge and understanding of: The nature of the service provided by the Company; How the Company's Systems interacts with user entities, subservice organizations, or other parties; Internal Control and its limitations; User entity responsibilities and how they may affect the user entity's ability to effectively use the Company's Systems; The applicable trust services criteria; The Risks that may threaten the achievement of the Company's service commitments and system requirements and how controls address those risks. Further management understands that our report is not intended to be and should not be used by anyone other than these specified parties.

ENGAGEMENT FEES

Our fees for the services previously outlined are provided in Exhibit B. Additional time incurred resulting from the performance of unexpected work will be billed at our standard hourly rates. Examples of unexpected work include, but are not limited to:

- 1.) Exceptions identified and the subsequent analysis and resolution conversations thereof.
- 2.) Re-selections of testing samples as a result of inaccurate or incomplete populations provided to us.
- 3.) Significant modifications to the Description of the Systems made by us, excluding any Complementary User Entity Controls, Complementary Service Organization Controls, and the listing of Subservice Organizations to be added or modified."

Our fees are based upon the complexity of the work to be performed, timing of the engagements, experience level of the personnel required, and estimates of the professional time to complete the required services. Our fees do include our administrative fee but do not include any out-of-pocket expenses in connection with these services, such as for travel, if any, etc., which will be billed along with the professional fees. MHM may receive rebates or volume discounts in connection with certain reimbursed expenses. MHM does not credit any such payments to the Company but instead takes those payments into account when determining billing rates.

Additionally, our fees are dependent on the availability, quality and completeness of the Company's and the Subservice Organization's records and, where applicable, upon the Company's personnel providing the level of assistance identified in the "prepared by client" request list distributed at the end of our planning work (e.g., Company employees preparing schedules we request, locating documents selected by us for testing, etc.). Should our assumptions with respect to these matters be incorrect, or should the condition of the records, degree of cooperation, or other matters beyond our reasonable control require additional commitments by us beyond

those upon which our estimated fees are based, we may adjust our fees and planned completion dates. If significant additional time is necessary, we will discuss it with management and arrive at a new fee estimate as soon as reasonably practicable. In addition, fees for any related projects, such as proposed scope changes, will be billed separately from the fee referred to above and will be subject to separate arrangements.

Invoices are due upon receipt and will be provided within 20 days of the end of the previous month. If our invoices for this, or any other engagements the Company may have with us, are not paid within 60 days after the receipt of invoice or the resolution of any billing dispute, we may suspend or terminate our services for this and any other engagements. If we suspend our services, we may require that the Company pay all amounts due and/or submit a retainer to MHM before we resume such services. The Company agrees that if we suspend or terminate our services as a result of nonpayment, we will not be responsible for any consequences. The Company must pay all invoices before we will issue our report.

For administrative convenience, the fees for our services will be invoiced through CBIZ MHM, LLC. If invoices are not paid within 60 days of the receipt of invoice or the resolution of any billing dispute, a late charge may accrue at the lesser of (i) 1% per month or (ii) the highest rate allowable by law.

DISPUTE RESOLUTION

If any dispute or claim of any kind, whether based on contract, tort, statute, regulation, or otherwise, arises out of, is connected with, or relates in any way to these engagements, or the relationship or the obligations of the parties, including without limitation any dispute as to the existence, validity, construction, interpretation, negotiation, performance, non-performance, breach, termination, or enforceability of this engagement letter (the "Dispute"), the parties agree to first endeavor to resolve the Dispute through non-binding mediation. The mediation shall take place within 60 days after one of the parties sends the other a request for mediation, unless the parties agree to a different time period. Completion of the mediation is a condition precedent to initiating any legal proceeding.

If the parties are unable to resolve a Dispute through mediation, then any party may initiate a legal proceeding.

Unless otherwise prohibited by law or applicable professional standard, in no event shall MHM or its personnel be liable for unforeseeable consequential, special, indirect, or incidental damages, or for punitive, or exemplary losses or damages relating to this engagement.

OTHER MATTERS

MHM's workpapers and files for these engagements are the property of MHM. If MHM receives a subpoena or other administrative, judicial, or government demand or request requiring it to provide information or documents, MHM will, unless prohibited by law, provide written notice to the Company of such demand or request. The Company shall reimburse MHM for our time at standard rates and reasonable expenses (including reasonable attorneys' fees and expenses) incurred in responding to such demands or requests.

Certain professional standards, including American Institute of Certified Public Accountants Code of Professional Conduct 1.700 and similar rules adopted by state boards of accountancy, prohibit the disclosure of client confidential information without client consent, except in limited circumstances. MHM will treat the Company's confidential information in accordance with applicable professional standards. The Company authorizes MHM to use email and other electronic methods to transmit and receive information, including confidential information, related to these engagements. MHM will employ commercially reasonable efforts to protect the confidentiality of transmitted information.

Should you request that we use a third-party electronic file transfer service in connection with these engagements, you acknowledge that MHM makes no representations or warranties regarding the security of data transmitted to and from, or stored by, that third-party electronic file transfer service. You also agree that MHM is not responsible for any loss, or unauthorized interception, of data transmitted to and from, or stored by, third-party electronic file transfer service.

The Company agrees that we may provide CBIZ MHM, LLC with access to the Company's accounting, financial, and other records in our possession so that CBIZ MHM, LLC can provide the Company with any services it has engaged them to perform.

Professional standards require us to be independent with respect to the Company in the performance of our services. These services are being provided under the AICPA independence standards. Certain non-attest services that would not impair our independence under the AICPA standards may have impaired our past or may impair our future independence under the PCAOB and SEC standards. MHM's acceptance of these engagements are conditioned on confirming that it is independent under applicable standards. We will inform you promptly if we determine that we are not independent.

Any discussions that the Company has with personnel of MHM, CBIZ MHM, LLC, or related entities regarding potential employment with the Company could impair our independence with respect to these engagements. Therefore, we request that you inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence. Employment offers to any staff member working on your engagement without our prior knowledge may require substantial additional procedures to ensure our independence on these engagements. Any additional costs incurred due to these procedures will be fully billable in addition to our fee.

During the term of these engagements and for a period of one year thereafter, the parties agree not to hire, solicit, or attempt to solicit the services of any staff, employee, consultant, or subcontractor of the other party without the prior written consent of that party. Violation of this provision shall, in addition to other relief, require the breaching party to compensate the non-breaching party with 100 percent of the solicited person's annual compensation.

These engagements letter is effective from the date of this letter. If MHM commenced the performance of the services described herein prior to the execution of this engagement letter, the engagement letter shall nonetheless cover the performance of such services. These engagements will continue until the services and deliverables have been provided unless it is terminated earlier in accordance with the terms set out herein. Either party may terminate these engagements upon written notice to the other party irrespective of whether MHM has completed its services. The Company will be responsible for fees and expenses incurred through the date the termination notice is received.

Each year's services performed by MHM shall be considered to be separate and discrete from other year's services and deemed to have concluded upon MHM's issuance of its report.

In performing our engagement we will utilize professional and administrative staff who are employed by CBIZ MHM, LLC or its related entities. These individuals will be under the direct control and supervision of MHM, which is solely responsible for the professional performance of our engagement. Additionally, the professional staff is subject to the standards governing the accounting profession, including the requirement to maintain the confidentiality of client information, and MHM and CBIZ MHM, LLC and its related entities have contractual agreements requiring confidential treatment of all client information.

It is common practice for professional service firms, in discussions with prospective clients, to make reference to prior work, and we would like to have the opportunity to do so with respect to these engagements. On completion of these engagements, you agree that we may use the Company's name, logo(s), and a brief description of our services in publications and marketing materials, as well as discussions with prospective clients.

This engagement letter shall be governed by, and construed in accordance with, the laws of the State of California (without giving effect to the choice of law principles thereof), and all claims relating to or arising out of this Agreement or related to MHM's services, whether sounding in contract, tort, or otherwise, shall likewise be governed by the laws of that State (without giving effect to its choice of law principles). If any provision, or portion of a provision, of these engagements letter is deemed to any extent invalid, illegal, or otherwise unenforceable, such provision or portion of a provision shall be excluded, and the remainder of the engagement letter shall remain in full force and effect. No delay or omission by either party in exercising any right or power shall impair such right or power or be construed to be a waiver. These engagements are being undertaken solely for the benefit of the parties to this agreement and no other person shall be entitled to enforce the terms of this agreement.

The undersigned is the engagement shareholder responsible for supervising the engagement and signing the report.

We appreciate the opportunity to provide these services and believe this letter accurately summarizes the significant terms of our engagement. Please sign below and return a copy of this letter to us.

Respectfully submitted,

Adam B. Pfautsch
Mayer Hoffman McCann P.C.

The services and arrangements described in this letter are in accordance with our understanding and are acceptable to us.

California Statewide Automated Welfare System Consortium

By _____
Mr. John Boule
Executive Director

Date _____

Exhibit A
SOC 2 Type 2 Examination Periods

Below represents the periods covered for each individual system, for each SOC 2 Type 2 examination as previously described:

System	Period Start	Period End
Fiscal Year 2022		
CalSAWS System	January 1, 2022	June 30, 2022
CalWIN System	January 1, 2022	June 30, 2022
Fiscal Year 2023		
CalSAWS System	July 1, 2022	June 30, 2023
CalWIN System	July 1, 2022	June 30, 2023
Fiscal Year 2024		
CalSAWS System	July 1, 2023	June 30, 2024
CalWIN System	July 1, 2023	June 30, 2024
Fiscal Year 2025		
CalSAWS System	July 1, 2024	June 30, 2025

**Exhibit B
Engagement Fees**

We estimate our fees for the services previously described in this engagement letter to be as follows:

Work Performed	For FY 2021	For FY 2022	For FY 2023	For FY 2024	For FY 2025	Total
SOC 2 Type 1 Examination						
Report on Service Organization Controls for C-IV System	\$53,600	-	-	-	-	\$53,600
Report on Service Organization Controls for LRS/CalSAWS System	\$53,600	-	-	-	-	\$53,600
Report on Service Organization Controls for CalWIN System	\$53,600	-	-	-	-	\$53,600
SOC 2 Type 2 Examination						
Report on Service Organization Controls for CalSAWS System	-	\$81,370	\$82,997	\$84,658	\$86,350	\$335,375
Report on Service Organization Controls for CalWIN System	-	\$81,370	\$82,997	\$84,658	-	\$249,025
Total Fee	\$160,800	\$162,740	\$165,994	\$169,316	\$86,350	\$745,200