Proposal to Provide
Professional Services to

Trindel Insurance Fund

April 29, 2013

MARCUM
ACCOUNTANTS ▲ ADVISORS

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MARCUM
ACCOUNTANTS ▲ ADVISORS

April 29, 2013

Mr. David Nelson
Executive Director
Trindel Insurance Fund
P. Box 2069
Weaverville, CA 96093

Dear David:

Thank you for the opportunity to submit our qualifications to Trindel Insurance Fund, the ("Trindel" or "Organization"), to provide professional services. Our proposal is to perform the financial audit for Trindel. We have included information about our firm, core engagement team members, our approach, and proposed fees within the attached proposal.

We are enthusiastic about serving Trindel, and look forward becoming a part of your team as your trusted advisor. We believe that we differ from other CPA firms by listening to your concerns and tailoring our audit approach accordingly. We believe that this approach combined with our relevant experience conducting the audits and reviews of other organizations similar to Trindel would make the selection of Marcum the best decision you could make.

Your engagement team members have dedicated their careers to serving your industry and to providing services to organizations similar in size and scope to your Organization. Our proposal details a technically-enhanced and cost-effective audit approach essential for the timely completion of the engagement. Our candid approach to client interaction guarantees you the kind of responsive and personal service you deserve.

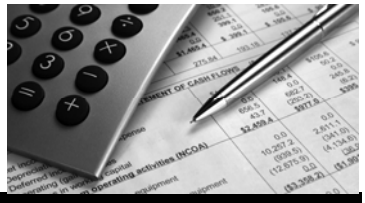
Once again, thank you for this opportunity to present our qualifications to you. Do not hesitate to call me at (415) 981-9400 for any additional information.

Sincerely,

Marcum LLP

Marjorie Bailey

Trindel Insurance Fund



Proposal

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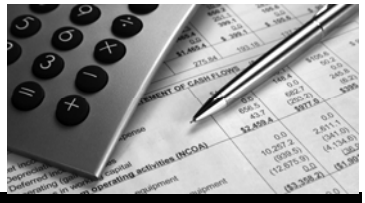
Trindel Insurance Fund



Proposal

A. Firm Philosophy

Profile of Our Firm

Marcum LLP ("Marcum") is one of the largest independent public accounting and advisory services firms in the nation. Ranked among the top 15 firms in the nation, Marcum offers the resources of more than 1,100 professionals, including more than 150 partners, in 23 offices throughout California, New York, Massachusetts, Connecticut, New Jersey, Pennsylvania, Florida, Grand Cayman, China and Hong Kong. The Firm's presence runs deep with full service offices strategically located in major business markets. With that in mind, we focus our attention locally on the not-for-profit market in California by staying involved in the community. We share your Organization's commitment to equal opportunity and affirmative action.

Marcum is nationally recognized within the governmental and not-for-profit communities as a highly qualified firm, with memberships in the American Institute of Certified Public Accountants as well as registration with the Public Company Accounting Oversight Board. Our clients tell us we deliver "Big 4"-level capability and expertise with unmatched quality and partner-level attention.

Our engagement team members have developed deep technical and industry expertise through years of serving governmental and not-for-profit clients. In addition to performing the annual financial audits and compliance audits for various organizations, we have performed special studies in financial management, cost accounting systems analyses, internal audit services and internal controls documentation and testing. Through our participation in industry organization and activities, we continually learn about significant industry developments and the associated impacts on your management and the operations of the Organization. We believe it is part of our duty to inform you about these developments.

Our Work within the Governmental Agencies and Not-For-Profit Sector

Our professionals are committed to a professional relationship with the Organization's management and working with them to deliver timely, high quality, services at a fair price. We not only want to meet the Board's expectations, but exceed them. Our partners are significantly involved in all aspects of their engagements and are available to speak with you at any time throughout the year to discuss complex accounting issues. We nurture this kind of professional relationship because it is the only way to maintain open communication and ultimately improve your financial reporting.

Marcum provides attest services to numerous governmental agencies and not-for-profits throughout the country. These organizations operate with a complexity best understood by a specialized team of accounting professionals. The Marcum engagement team includes professionals with vast experience offering fiscal, operational and compliance services. We offer the resources of auditors, general business consultants, accountants, tax advisors, computer systems and IT specialists, employee benefits consultants, and valuation specialists. Our team brings over 40 years of service in California.

Audit Experience

Marcum has a thorough understanding of the relevant accounting and auditing issues facing Trindel, and is experienced in the performance of audits in accordance with Government Auditing Standards. As a result of our leadership in this industry, we bring a perspective to operations not often found in teams who perform only financial statement audits.

Quality Control

Marcum's commitment to audit quality and integrity is demonstrated by our memberships in many quality oversight organizations and stringent internal monitoring.

We are committed to audit quality and integrity. To demonstrate this commitment, we have acquired memberships in various quality oversight organizations. Marcum is registered with the Public Company Accounting Oversight Board (PCAOB) and is subject to its quality control standards. We belong to the Organization for Public Company Audit Firms of the American Institute of Certified Public Accountants (AICPA) and the Private Companies Practice Section (PCPS) of the AICPA. Member firms must have their quality control systems periodically reviewed by independent peers to evaluate:

- The quality control system for accounting and auditing compliance with specified requirements and standards.
- Quality control policies and procedures that provide the firm with reasonable assurance for complying with professional standards.
- Compliance with membership requirements.

We are dedicated to establishing a high level of quality control and we continue to subject our practice to peer review as dictated by the current regulatory environment. We have also instituted our own internal monitoring procedures to further secure Marcum's reputation as a quality-driven, results-oriented firm.

Knowledge of the Governmental Agencies Industry

Marcum client service team members have significant experience providing high quality audit services to a large number of California governmental agencies and not-for-profit organizations. Senior members of the team have decades of experience providing auditing and consulting services to these industries and have a thorough understanding of relevant accounting, auditing and financial reporting issues. Your proposed engagement team currently serves on boards of not-for-profits, as Treasurers, Audit Committee Chairmen and Board Members.

Depth of Highly Qualified Staff

Our partners, managers and seniors are consistently on-site to address your issues quickly and effectively. Marcum has a large pool of talented staff to provide these services with a level of attention unmatched by other accounting firms.

Partner Attention

Our partners lead their engagements and personally deliver services. They work closely with the engagement team and provide hands-on support.

Hiring Philosophy and Continuity

Marcum has significant experience in handling engagements with compressed timelines. The result of our significant expertise and organization infrastructure affords us the ability to understand, pursue and successfully transition audit engagements. Once notified of our appointment as your auditors and advisors, we will launch our plan. Our commitment to communication, responsiveness, flexibility, continuity and consistency helps ensure minimal disruption to your personnel and operations.

We pride ourselves in treating our employees with respect and dignity. In addition, we retain our staff by providing them with opportunities to work with a very diverse and challenging client base, one that very few of our competitors are able to match. The ability to retain our staff affords us the capacity to provide quality service to multiple clients while simultaneously making ourselves flexible and responsive to each one. Due to our low staff turnover, we would be able to ensure continuity to your Organization. We will notify you in writing any changes in key personnel when we become aware of the change.

Internal Monitoring

Each year, Marcum performs an internal inspection of the audit practice as part of its monitoring as required by professional and firm standards. This includes a self-assessment, performed on the same basis as an actual independent peer review, by senior audit executives qualified as peer reviewers. Testing of policies and procedures and reviewing actual engagements is the same for the inspection as it is for the peer review. This ensures that our work is always performed at the highest level.

Professional Standards Group

One of our major responsibilities as your accounting firm would be to keep you informed of changes or pending changes to accounting rules, interpretations and reporting requirements. Our internal Professional Standards Group is comprised of eight experienced partners responsible for timely distribution of this information to our engagement teams and clients.

Technical Support

We use various accounting research tools, and have a complete on-line library of all FASB, AICPA, EITF, SEC and PCAOB auditing and accounting standards as well as related exposure drafts and EITF minutes. We receive weekly updates on the status of new pronouncements and interpretations, and provide summaries of key provisions to management to be sure they are properly implemented early in the year, as opposed to waiting until the end of the audit.

Educational Services

We provide regular, internal educational programs to our staff to keep them abreast of changing accounting methodologies, audit issues and industry specific regulatory matters. Many of our industry experts make presentations to our clients and various trade associations. Our staff participates in a variety of educational programs through organizations like the AICPA.

B. Basic Approach

Our approach begins by gaining an understanding of the Organization's business and industry risks, procedures and controls, tone at the top, quality of financial reporting and capabilities of the financial department. Our engagement team members will meet with your management team periodically to ensure that we have a complete understanding of your business and that the audit is effectively planned. Our methodology is cost effective and reflects the continuous involvement of our most experienced engagement team members.

Phase One: Preliminary Planning

- Update our understanding of the entity
- Perform preliminary analytical procedures to identify significant and unusual account balances, trends and transactions for audit emphasis
- Assess internal control and fraud risk at the entity level
- Identify significant accounts and processes (routine, non-routine and estimation)
- Conduct fraud specific team meeting
- Set planning materiality and tolerable misstatement
- Confirm timing and deliverables
- Issue audit planning document, including timetable

Phase Two: System Documentation and Development of Detailed Audit Program

- Update internal control and process documentation, including information technology (narratives and questionnaires)
- Perform walk-through testing of each significant process
- Evaluate internal control design
- Assess risk of material misstatement from error or fraud based on internal controls combined with inherent risk of significant accounts
- Design audit procedures responsive to internal control design and risk of material errors

Phase Three: Year-End Testing

- Perform detail tests of account balances
- Perform tests of controls, if necessary
- Evaluate quality and sufficiency of evidence
- Evaluate errors

Phase Four: Wrap-up and Reporting

- Complete final overall analytical procedures
- Issue audit results and management letters
- Conduct closing meetings
- Issue audit opinions on financial statements and compliance report

Our audit process is designed to address those areas of audit importance particular to you. We continuously benchmark and update the key risk factors affecting governmental agencies and will co-develop an effective risk mitigation strategy with you.

Audit Methodology

Our audit methodology is unique. We quickly gain a thorough understanding of your operations and focus our audit efforts on areas of significance. We emphasize communication with management throughout all audit phases while we focus on the significance of certain accounts, balances and systems. We assess major risks associated with each area, recognizing that each has varying degrees of importance to operations. In summary, Marcum will:

- Commit an experienced client service team to the engagement
- Provide extensive management involvement in all aspects of the engagement
- Commit sufficient staff resources to accomplish the engagement in a timely, cost effective way
- Provide an efficient and effective approach responsive to your expectations and requirements

C. Scheduling and Staff

Engagement Team

We realize that quality of services correlates directly to the skill level, education and resourcefulness of your engagement team. Our team's experience includes numerous years of auditing governmental organizations, performing risk assessments, responding with appropriate strategies and sharing best practices. The following team represents the seasoned individuals we have selected to serve Trindel and its affiliate centers.

Engagement Team		
Marjorie Bailey	Relationship Partner & Audit Partner	Marjorie has more than 20 years of experience providing insight and solving problems for a range of clients across industries including governmental agencies, not-for-profit, healthcare, technology, biosciences, and telecommunications.
Sheri Lejman	Concurring Partner	Sheri has more than 15 years of experience providing auditing, assurance and consulting services to clients in governmental agencies, not-for-profit, healthcare and financial services sectors.
Priscilia Octarina	Engagement Manager	Priscilia is a Manager in the Firm's San Francisco office who will be responsible for the day-to-day operations and supervision of the engagements.
Paul Timtiman and Cole Weber	Engagement Seniors	Paul and Cole are Seniors in the Firm's San Francisco office and will be responsible for the day-to-day operations of the engagements.

In addition to the management team assigned to this engagement, we have a team of senior and staff accountants with extensive experience in serving governmental agencies. Our team members are among the most talented in their field and have outstanding reputations.

Every person assigned on the engagement team is qualified to audit governmental agencies and has taken the appropriate number of continuing education hours to qualify them to be on this engagement.

The firm and all assigned key professional staff are licensed to practice in California.

Scope of Services

Attest Services

- We will audit the basic financial statements for Trindel Insurance Fund for the years ending June 30, 2013, June 30, 2014, and June 30, 2015, including Trindel Insurance Fund's internal control over financial reporting.
- We will provide recommendations during our exit conference to help improve the internal controls and program compliance
- We will communicate audit results, audit findings, and industry comparisons to the Board of Directors when audited financial statements are presented at their regularly scheduled meeting

Delivery of Services

Upon our appointment, we will develop our overall audit plans. These plans will be reviewed with management to ensure that we have properly identified critical risk areas, set timelines for expected completion and successfully met all parameters of this engagement, as well as all due dates.

Under this engagement, we will conduct the audits for the year ending June 30, 2013, 2014 and 2015. Specifically, we will:

- Work with Trindel staff on any pre-audit activities, including setting dates for audit fieldwork
- Conduct audits in accordance with auditing standards generally accepted in the United States of America (including the guidelines under ASC Topic 958) and *Government Auditing Standards* issued by the Comptroller General of the United States
- Provide independent written opinions on whether Trindel's financial statements are fairly presented in accordance with accounting principles generally accepted in the United States of America
- Provide audit reports as required by *Government Auditing Standards*
- Report in a management letter to the management group on auditing process, findings, observations, opinions, comments and recommendations with regard to the systems of internal control, accounting systems, compliance with laws and regulations, and around other material matters that came to our attention during the course of our audits.

Assistance From Accounting Staff

Our work plan will be structured to fulfill the expectations of the Organization. To accomplish this objective, our engagement plan will:

- Permit early identification of problems or concerns with effective communication thereof to management
- Ensure immediate responsiveness to expressed or perceived needs or expectations
- Maintain the necessary flexibility to deal with changed or emerging situations or concerns
- Ensure timely completion of all services in order to meet prescribed reporting dates
- Use, where necessary, functional expertise and industry specialists in order to offer constructive service recommendations to management
- Minimize inconvenience to employees of your organization

We have a professional commitment to be concerned with the affairs of our clients on a continuing basis and to be available to you throughout the year. This approach blends both technical and general business experience into a constructive service concept. Additionally, our engagement plan provides regular meetings during fieldwork with management to discuss current results, concerns and developing issues. We aim to provide constructive service comments directed at improving productivity and operations and communicating important information on a timely basis.

D. Proposed Fees

We recognize that we are in challenging times and are sensitive to the economic pressures felt by governmental organizations today. In light of this, we have taken measures to be price sensitive on all of our engagements and we encourage a candid dialogue regarding our proposed fees. We are committed to providing Trindel with a superior level of service for a fair price.

Our proposed fees are as follows and are inclusive of all costs and expenses:

Attest Services	
Audit of financial statements of Trindel Insurance Funds, including internal control over financial reporting, for the year ending;	Fixed Fee (includes out of pocket expenses):
June 30, 2013	$18,000 – $20,000
June 30, 2014	$18,400 – $20,400
June 30, 2015	$18,700 – $20,800

Should you choose Marcum, we commit to holding our fees to the fixed price for the 3 years unless there are significant issues that were not foreseeable. Before any increase would ever be considered in these years, it would be agreed to by the organization.

Please note that because of our years of experience in working within this industry, we know the time and effort involved in providing these services and we believe this proposal reflects this time and effort.

We affirm that Marcum, LLP is independent from Trindel Insurance Funds and its member Counties as defined by generally accepted auditing standards.

The firm's personnel would be in the County approximately 1 week.

Our services will be billed at our standard hourly rates. Our current standard hourly rates including estimated total hours required are:

Partners	$400 - $450 per hour	8 to 16 hours
Manager	$210 - $275 per hour	32 to 40 hours
Senior Accountants	$145 - $195 per hour	72 to 80 hours

If requested to perform services beyond the scope of this proposal, such as accounting services, advisory services, management consulting and other attest or non-attest services, we would discuss with management the nature and scope of the requested service before commencing any procedures and provide an estimate of the fees. Such fees would be based on the level of experience needed to perform the work.

E. Listing of clients of government agencies and programs, funded health facilities and commercial firms recently audited;

Please find a sample of clients that are audited on behalf of Marcum LLP.

Asian Health Services, Oakland, CA
West Oakland Health Council, Oakland, CA

Contra Costa Child Development Program
Lassen Regional Solid Waste Mgmt. Authority
Tahoe City Public Utility District
Santa Cruz, City of
Contra Costa County Auditor-Controller's Office

Cell Therapeutics, Inc.
Alliance Fiber Optics Products Inc.

Lennar Charitable Housing Foundation
Aspect Foundation
The Joseph R. McMicking Foundation
Congregation Emanu-El

F. Other Information

All audit records and worksheets will be retained, and made available to Trindel or any Federal or State agency, for at least three years, unless notified to extend the retention period.

The firm, partners and managers who will be assigned to your account have not been the object of any disciplinary actions during the last three years

Why Marcum LLP is the Right Choice for your Organization

- Top 15th National firm in the country
- Marcum's Government Group has established itself as an industry leader
- More than 20 years of experience serving government clients
- More than 60 professionals working in the Governmental Practice
- Our professionals are committed to excellence and stay on the cutting edge of relevant policies, practices, and procedures
- We offer clients superior personal service and provide powerful comprehensive solutions
- Professionalism, Teamwork, Integrity and Entrepreneurship firm with specialized governmental experience and resources
- Significant partner involvement resulting in personalized service and communication of value-added ideas
- Senior engagement team members have extensive governmental experience
- Dedicated client-focused engagement team
- Recently received exceptional peer review report that contained no comments. We have received only positive peer reviews for the last three years

Thank You

We thank you for the opportunity to submit our proposal to provide professional services to the Organization. We place a great emphasis and value on our relationships and look forward to the opportunity to develop a working relationship with your Organization.

Once again, thank you for this opportunity to present our qualifications. For any additional information, please contact:

Marjorie Bailey
(415) 981-9400
Marjorie.Bailey@marcumllp.com