


Agenda Report Reviewed by:
City Manager: 

CITY OF SEBASTOPOL
CITY COUNCIL
AGENDA ITEM

Meeting Date: October 5, 2021
To: Honorable Mayor and City Councilmembers
From: Ana Kwong – Administrative Services Director
Subject: Continuation of Contract for Financial Audit Services
Recommendation: That the City Council authorize the continuation of audit contract with Badawi and Associates, Certified Public Accountants, for financial audit services for a three-year period; and, authorize the City Manager to execute a contract for audit services
Funding: Currently Budgeted: Yes No N/A

Account Code/Costs authorized in City Approved Budget (if applicable) AK (verified by Administrative Services Department)

INTRODUCTION/PURPOSE:

The item is to request Council authorize continuation of audit contract with Badawi and Associates, Certified Public Accountants, for financial audit services for a three-year period; and, authorize the City Manager to execute a contract for audit services.

BACKGROUND:

Badawi and Associates, CPAs, were engaged to perform audits of the City’s financial statements for the five-year period ending June 30, 2021 after an extensive request for proposal, evaluation and interview process. Badawi and Associates have delivered quality audit services consistently during that period.

DISCUSSION:

The City requires audit services of the financial statements for fiscal year 2021-22 (FY 22), and the Administrative Services (Finance) Department recommends the retention of Badawi and Associates, CPAs (Badawi) for the following reasons:

- The **quality of annual reporting** has consistently increased since Badawi was retained as the City’s independent auditor; and the City has received certificates of excellence in financial reporting from the industries best practice group, the Government Finance Officers Association (GFOA), since the retention of Badawi. The certificate of excellence recognizes local governments that go beyond the basics when communicating financial results to the public.
- The City **achieves efficiencies when retaining a continuing auditor** because they are knowledgeable about the current financial systems, internal control structure and reporting practices. Staff time can focus on areas where changes are required and desired, rather than bringing a new auditor up to speed on basic system functionality. Such agreements allow for greater continuity and help to minimize the potential for disruption in connection with the independent audit. Multiyear agreements can also help to reduce audit costs by allowing auditors to recover certain "startup" costs over several years, rather than over a single year.

The proposed service extension cost for a three year period will be as follows:

Service	FY 2022	FY 2023	FY 2024
City Audit/ACFR	\$ 20,035	\$ 20,635	\$ 21,255
State Controller's Reports: City Annual Report of Transactions & Streets Report	1,235	1,275	1,310
Single Audit (if required)	2,060	2,120	2,185
Total	\$ 23,330	\$ 24,030	\$ 24,750

GOALS:

This action supports the City Council Goal 1-1.1: Maintain the long term financial stability and sustainability of the City of Sebastopol and Operate City government in a fiscally responsible and responsive manner. Develop and Implement Sound Financial Management Policies and Procedures.

PUBLIC COMMENT:

As of the writing of this staff report, the City has not received any public comment. However, staff anticipates receiving public comment from interested parties following the publication and distribution of this staff report. Such comments will be provided to the City Council as supplemental materials before or at the meeting. In addition, public comments may be offered during the public comment portion of the agenda item.

PUBLIC NOTICE:

This item was noticed in accordance with the Ralph M. Brown Act and was available for public viewing and review at least 72 hours prior to schedule meeting date.

FISCAL IMPACT:

Audit services are currently budgeted. No fiscal impact is anticipated. Normal price inflation is assumed in annual budgets.

RECOMMENDATION:

Staff recommends the Sebastopol City Council authorize continuation of audit contract with Badawi and Associates, Certified Public Accountants, for financial audit services for a three-year period; and, authorize the City Manager to execute a contract for audit services.

Attachments:

- Fully executed original contract
- Proposed contract extension

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT, made and entered into on April 4, 2017 by and between the City of Sebastopol, located in the County of Sonoma, State of California (City), and Badawi & Associates. (Consultant).

RECITALS:

- A. City desires to employ Consultant to furnish professional services in connection with the project described as Professional Audit Services.
- B. Consultant has represented that Consultant has the necessary expertise, experience, and qualifications to perform the required duties.

NOW, THEREFORE, in consideration of the mutual premises, covenants, and conditions herein contained, the parties agree as follows:

SECTION 1 – BASIC SERVICES

Consultant agrees to perform the services set forth in **Exhibit A, “Scope of Services”** and made part of this Agreement.

SECTION 2 – ADDITIONAL SERVICES

Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to or outside of those set forth in this Agreement or **Exhibit A, “Scope of Services”**, unless such additional services and compensation are authorized in advance and in writing by the City Council or City Manager of the City.

SECTION 3 – TIME FOR COMPLETION

The time for completion of services shall be as identified in **Exhibit A, “Scope of Services”**.

SECTION 4 – COMPENSATION AND METHOD OF PAYMENT

A. Subject to any limitations set forth in this Agreement, City agrees to pay consultant the amount specified in Exhibit A, page 30, “Proposed Pricing”, attached hereto and made a part hereof. Total compensation shall not exceed a total of \$66,200 over a three year term, unless additional compensation is approved in accordance with Section 2.

B. Consultant shall furnish to City an original invoice for all work performed and expenses incurred during the preceding month. The invoice shall detail charges by the following categories if applicable: labor (by sub-category), travel, materials, equipment, supplies, subconsultant contracts, and miscellaneous expenses. City shall independently review each invoice submitted to determine whether the work performed and expenses incurred are in compliance with the provisions of this Agreement. If no charges or expenses are disputed, the invoice shall be approved and City will use its best efforts to cause Consultant to be paid within 30 days of receipt of invoice. If any charges or expenses are disputed by City, the original invoice shall be returned by City to Consultant for

correction and resubmission. If the City reasonably determines, in its sole judgment, that the invoiced charges and expenses exceed the value of the services performed to date and that it is probable that the Agreement will not be completed satisfactorily within the contract price, City may retain all or a portion of the invoiced charges and expenses. Within thirty (30) days of satisfactory completion of the project, City shall pay the retained amount, if any, to Consultant.

C. Payment to the Consultant for work performed pursuant to this Agreement shall not be deemed to waive any defects in work performed by Consultant.

SECTION 5 – STANDARD OF PERFORMANCE

Consultant represents and warrants that it has the qualifications, experience and facilities necessary to properly perform the services required under this Agreement in a thorough, competent and professional manner. Consultant shall at all times faithfully, competently and to the best of its ability, experience and talent, perform all services described herein. In meeting its obligations under this Agreement, Consultant shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing services similar to those required of Consultant under this Agreement.

SECTION 6 – INSPECTION AND FINAL ACCEPTANCE

City may inspect and accept or reject any of Consultant's work under this Agreement, either during performance or when completed. City shall reject or finally accept Consultant's work within sixty (60) days after submitted to City, unless the parties mutually agree to extend such deadline. City shall reject work by a timely written explanation, otherwise Consultant's work shall be deemed to have been accepted. City's acceptance shall be conclusive as to such work except with respect to latent defects and fraud. Acceptance of any of Consultant's work by City shall not constitute a waiver of any of the provisions of this Agreement including, but not limited to, the sections pertaining to indemnification and insurance.

SECTION 7 – INSURANCE REQUIRED

Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees, as indicated:

- A. Minimum Scope of Insurance. Coverage shall be at least as broad as:
1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).
 2. Insurance Services Office form number CA 0001 (Ed. 1/87) covering Automobile Liability, code 1 (any auto).
 3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.
- B. Minimum Limits of Insurance. Consultant shall maintain limits no less than:
1. General Liability: \$1,000,000 per occurrence for bodily injury, personal injury and property damage including operations, products and completed operations, as

applicable. If Commercial General Liability Insurance or other form with a General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

2. Automobile Liability: \$2,000,000 per accident for bodily injury and property damage.
 3. Employer's Liability: \$1,000,000 per accident for bodily injury or disease.
- C. Excess Limits. If Consultant maintains higher limits than the minimums shown above, City requires and shall be entitled to coverage for the higher limits maintained by Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.
- D. Primary Coverage. For any claims related to this contract the Consultants insurance coverage shall be primary insurance as respects to City, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be excess of Consultants insurance and shall not contribute with it.
- E. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions of \$25,000 or greater must be declared to and approved by the City.
- F. Other Insurance Provisions. The commercial general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:
1. The City, its agent, officers, officials, employees, and volunteers are to be covered as additional insured as respects: liability arising out of work or operations performed by the Consultant or Consultant's subconsultants; or automobile owned, leased, hired or borrowed by the Consultant.
 2. For any claims related to Consultant's conduct while performing the work of this project, the Consultant's insurance coverage shall be primary insurance as respects the City, its agents, officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its agents, officers, officials, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
 3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be cancelled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City.
 4. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subsection (b) of Section 2782 of the Civil Code.
- G. Waiver of Subrogation. The workers compensation policy is to be endorsed with a waiver of subrogation. The insurance company, in its endorsement, agrees to waive all rights of subrogation against the City, its agents, officers, officials, employees and volunteers for losses paid under the terms of this policy which arises from the work performed by the named insured for the City.
- H. The Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII, unless otherwise acceptable to the City.

- I. Verification of Coverage. Consultant shall furnish the City with original certificates and amendatory endorsements effecting coverage required by this clause. The endorsements should be on forms provided by the City or on forms that conform to City requirements. All certificates and endorsements are to be received and approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications at any time.

SECTION 8 – INDEMNIFICATION

A. Consultant shall indemnify and hold harmless City, its agents, officers, officials, employees, and volunteers from any and all claims, demands, suits, loss, damages, injury, and/or liability (including any and all costs and expenses in connection therewith), incurred by reason of any negligent or otherwise wrongful act or omission of Consultant, its officers, agents, employees and subcontractors, or any of them, under or in connection with this Agreement; and Consultant agrees at its own cost, expense and risk to defend any and all claims, actions, suits, or other legal proceedings brought or instituted against City, its agents, officers, officials, employees and volunteers, or any of them, arising out of such negligent or otherwise wrongful act or omission, and to pay and satisfy any resulting judgments.

B. When Consultant under this Agreement is duly licensed under California Business and Professions Code as an architect, landscape architect, professional engineer, or land surveyor (“design professional”), the provisions of this section regarding Consultant’s duty to defend and indemnify apply only to claims that arise out of or relate to the negligence, recklessness, or willful misconduct of the design professional.

C. If any action or proceeding is brought against Indemnitees by reason of any of the matters against which Consultant has agreed to indemnify Indemnitees as provided above, Consultant, upon notice from City, shall defend Indemnitees at Consultant’s expense by counsel acceptable to City, such acceptance not to be unreasonably withheld. Indemnitees need not have first paid for any of the matters to which Indemnitees are entitled to Indemnification in order to be so indemnified. The insurance required to be maintained by Consultant shall ensure Consultant’s obligations under this section, but the limits of such insurance shall not limit the liability of Consultant hereunder. The provisions of this section shall survive the expiration or earlier termination of this Agreement.

D. The provisions of this section do not apply to claims to the extent occurring as a result of the City’s sole negligence or willful acts or misconduct.

SECTION 9 – INDEPENDENT CONTRACTOR STATUS

A. Consultant is and shall at all times remain a wholly independent contactor and not an officer, employee or agent of City. Consultant shall have no authority to bind City in any manner, nor to incur an obligation, debt or liability of any kind on behalf of or against City, whether by contract or otherwise, unless such authority is expressly conferred under this Agreement or is otherwise expressly conferred in writing by City.

B. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant’s exclusive direction and control. Neither City, nor any elected or

appointed boards, officers, officials, employees or agents of City, shall have control over the conduct of Consultant or any of Consultant's officers, employees or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that Consultant or any of Consultant's officers, employees or agents are in any manner officials, officers, employees or agents of City.

C. Neither Consultant, nor any of Consultant's officers, employees or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to City's employees. Consultant expressly waives any claim Consultant may have to any such rights.

SECTION 10 – CONFLICTS OF INTEREST

A. Consultant covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of City or which would in any way hinder Consultant's performance of services under this Agreement. Consultant further covenants that in the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent, or subcontractor without the express written consent of the City Manager. Consultant agrees to at all times avoid conflicts with the interests of City in the performance of this Agreement.

B. City understands and acknowledges that Consultant is, as of the date of execution of this Agreement, independently involved in the performance of non-related services for other governmental agencies and private parties. Consultant is aware of any stated position of City relative to such projects. Any future position of City on such projects shall not be considered a conflict of interest for purposes of this section.

SECTION 11 – OWNERSHIP OF DOCUMENTS

A. All original maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files and other documents prepared, developed or discovered by Consultant in the course of providing any services pursuant to this Agreement shall become the sole property of City and may be used, reused or otherwise disposed of by City without the permission of the Consultant. When requested by City, but no later than three years after project completion, Consultant shall deliver to City all such original maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files and other documents.

B. All copyrights, patents, trade secrets, or other intellectual property rights associated with any ideas, concepts, techniques, inventions, processes, improvements, developments, works of authorship, or other products developed or created by Consultant during the course of providing services (collectively the "Work Product") shall belong exclusively to City. The Work Product shall be considered a "work made for hire" within the meaning of Title 17 of the United States Code. Without reservation, limitation, or condition, Consultant hereby assigns, at the time of creation of the Work Products, without any requirement of further consideration, exclusively and perpetually, any and all right, title, and interest Consultant may have in the Work Product throughout the world, including without limitation any copyrights, patents, trade secrets, or other intellectual property rights, all rights of reproduction, all rights to create derivative works, and the right to secure registrations, renewals, reissues, and extensions thereof.

SECTION 12 – CONFIDENTIAL INFORMATION; RELEASE OF INFORMATION

A. All information gained or work product produced by Consultant in performance of this Agreement shall be considered confidential, unless such information is in the public domain or already known to Consultant. Consultant shall not release or disclose any such information or work product to persons or entities other than City without prior written authorization from the City Manager, except as may be required by law.

B. Consultant, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the City Manager or unless requested by the City Attorney of City, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement. Response to a subpoena or court order shall not be considered “voluntary” provided consultant gives City notice of such court order or subpoena.

C. If Consultant, or any officer, employee, agent or subcontractor of Consultant, provides any information or work product in violation of this Agreement, then City shall have the right to reimbursement and indemnity from Consultant for any damages, costs and fees, including attorneys fees, caused by or incurred as a result of Consultant’s conduct.

D. Consultant shall promptly notify City should Consultant, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed thereunder. City retains the right, but has no obligation, to represent Consultant or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests provided by Consultant. However, this right to review any such response does not imply or mean the right by City to control, direct, or rewrite such response.

SECTION 13 – SUSPENSION OF WORK

City may, at any time, by ten (10) days written notice suspend further performance by Consultant. All suspensions shall extend the time schedule for performance in a mutually satisfactory manner and Consultant shall be paid for services performed and reimbursable expenses incurred prior to the suspension date.

SECTION 14 – COMPLIANCE WITH LAW

Consultant shall keep itself informed of and comply with all applicable federal, state and local laws, statutes, codes, ordinances, regulations and rules in effect during the term of this Agreement. Consultant shall obtain any and all licenses, permits and authorizations necessary to perform the services set forth in this Agreement. Neither City, nor any elected or appointed boards, officers, officials, employees or agents of City, shall be liable, at law or in equity, as a result of any failure of Consultant to comply with this section.

SECTION 15 – COMPLIANCE WITH CIVIL RIGHTS

During the performance of this contract, Consultant agrees as follows:

A. Equal Employment Opportunity. In connection with the execution of this Agreement, Consultant shall not discriminate against any employee or applicant for employment because of race, religion, color, ancestry, age, sexual orientation, physical handicap, medical condition, marital status, sex, or national origin. Such actions shall include, but not be limited to, the following: employment, promotion, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rate of pay or other forms of compensation; and selection for training including apprenticeship.

B. Nondiscrimination Civil Rights Act of 1964. Consultant will comply with all federal regulations relative to nondiscrimination to federally-assisted programs.

C. Solicitations for Subcontractors including Procurement of Materials and Equipment. In all solicitations, either by competitive bidding or negotiations, made by Consultant for work to be performed under a subcontract, including procurement of materials or leases of equipment, each potential subcontractor, supplier, or lessor shall be notified by Consultant of Consultant's obligations under this Agreement and the regulations relative to nondiscrimination.

SECTION 16 – RECORDS

A. Records of Consultant's direct labor costs, payroll costs, and reimbursable expenses pertaining to this project covered by this Agreement will be kept on a generally recognized accounting basis and made available to City if and when required for a period of up to 3 years from the date of Consultant's final invoice.

B. Consultant's records and design calculations will be available for examination and audit if and as required. The cost of any reproductions shall be paid by City.

SECTION 17 – COOPERATION BY CITY

All public information, data, reports, records, and maps as are existing and available to City as public records, and which are necessary for carrying out the work as outlined in the Exhibit A, "Scope of Services", shall be furnished to Consultant in every reasonable way to facilitate, without undue delay, the work to be performed under this Agreement.

SECTION 18 – NOTICES

All notices required or permitted to be given under this Agreement shall be in writing and shall be personally delivered, or sent by facsimile or first class mail, addressed as follows:

To City: City Manager
7120 Bodega Ave
Sebastopol, California 95472

To Consultant: Badawi & Associates
Attn: Ahmed Badawi, CPA
President
180 Grand Avenue, Suite 1500
Oakland, CA 94612
abadawi@b-acpa.com
510-768-8251

Notice shall be deemed effective on the date personally delivered or transmitted by facsimile, or, if mailed, three (3) days after deposit in the custody of the U.S. Postal Service.

SECTION 19 – TERMINATION

A. City may terminate this Agreement, with or without cause, at any time by giving ten (10) days written notice of termination to Consultant. If such notice is given, Consultant shall cease immediately all work in progress.

B. If either Consultant or City fail to perform any material obligation under this Agreement, then, in addition to any other remedies, either Consultant, or City may terminate this Agreement immediately upon written notice.

C. Upon termination of this Agreement by either Consultant or City, all property belonging to City which is in Consultant's possession shall be delivered to City. Consultant shall furnish to City a final invoice for work performed and expenses incurred by Consultant, prepared as set forth in this Agreement.

SECTION 20 – ATTORNEY FEES

If litigation or other proceeding is required to enforce or interpret any provision of this Agreement, the prevailing party in such litigation or other proceeding shall be entitled to an award of reasonable attorneys' fees, costs and expenses, in addition to any other relief to which it may be entitled. In addition, any legal fees, costs and expenses incurred to enforce the provisions of this Agreement shall be reimbursed to the prevailing party.

SECTION 21 – ENTIRE AGREEMENT

This Agreement, including the attached Exhibits, is the entire, complete, final and exclusive expression of the parties with respect to the matters addressed therein and supersedes all other agreements or understandings, whether oral or written, or entered into between Consultant and City prior to the execution of this Agreement. No statements, representations or other agreements, whether oral or written, made by any party which are not embodied herein shall be valid and binding unless in writing duly executed by the parties or their authorized representatives.

SECTION 22 – SUCCESSORS AND ASSIGNS

This Agreement shall be binding on the heirs, executors, administrators, successors and assigns of the parties. However, this Agreement shall not be assigned by Consultant without written consent of the City.

SECTION 23 – CONTINUITY OF PERSONNEL

Consultant shall make every reasonable effort to maintain the stability and continuity of Consultant's staff assigned to perform the services required under this Agreement. Consultant shall notify City of any changes in Consultant's staff assigned to perform the services required under this Agreement, prior to any such performance.

SECTION 24 – DEFAULT

In the event that Consultant is in default under the terms of this Agreement, the City shall not have any obligation or duty to continue compensating Consultant for any work performed after the date of default and may terminate this Agreement immediately by written notice to Consultant.

SECTION 25 – WAIVER

Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision, nor a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by City of any work or services by Consultant shall not constitute a waiver of any of the provisions of this Agreement.

SECTION 26 – LAW TO GOVERN; VENUE

This Agreement shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of Sonoma. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Northern District of California, in San Francisco.

SECTION 27 – SEVERABILITY

If any term, condition or covenant of this Agreement is declared or determined by any court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement shall not be affected thereby and the Agreement shall be read and construed without the invalid, void or unenforceable provision(s).

SECTION 28 – SPECIAL PROVISIONS

This Agreement is subject to the following special provisions: none.

IN WITNESS WHEREOF, the parties hereto have accepted, made, and executed this Agreement upon the terms, conditions, and provisions above stated, the day and year first above written.

Consultant:

By: 

Name: Ahmed Badawi, CPA
Title: President

City:

By: 

Name: Larry McLaughlin
Title: City Manager

Approved as to Form:

By: 

Name: Larry McLaughlin
Title: City Attorney

City of Sebastopol

TECHNICAL PROPOSAL

For Professional Auditing Services for the City of Sebastopol

For the fiscal years ending June 30, 2017 to 2019 with an option to extend for two subsequent years.

February 2, 2017

Contact Person:

**Ahmed Badawi, CPA
Badawi & Associates
Certified Public Accountants
180 Grand Avenue, Suite 1500
Oakland, CA 94612
Phone: (510) 768-8244
Fax: (510) 768-8249
E-mail: abadawi@b-acpa.com**



City of Sebastopol

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February 2, 2017

Ms. Ana Kwong
Finance Director
City of Sebastopol
7120 Bodega Ave
Sebastopol, CA 95472

Dear Ms. Kwong,

Badawi & Associates (B&A), Certified Public Accountants (the "Firm") is pleased to have the opportunity to respond to your request for a proposal to provide external audit services and to submit its qualifications to perform an independent audit of the financial statements of the City of Sebastopol (the "City") for the fiscal years ending June 30, 2017 to 2019 with an option to extend for two subsequent years. The objective of our audits is to issue opinions regarding the fairness of presentation of the financial position of the City in accordance with generally accepted accounting principles. These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the General Accounting Office's (GAO) *Government Auditing Standards*, the provisions of the federal Single Audit Act of 1984, as amended in 1996), and the Uniform Guidance, *Audits of States, Local Governments and Non-Profit Organizations*, Uniform Administrative Requirements, as well as any other applicable federal, state, local or programmatic audit requirements.

We will also perform the following as part of our engagement:

- City Report of Financial Transactions for State Controller's Office
- Annual Street Report
- Single Audit (if required)

We will also apply limited audit procedures to Management's Discussion and Analysis (MD&A) and required supplementary information. In addition, we will prepare the management letter containing comments and recommendations regarding our review and evaluation of the systems of internal control and accounting procedures.

This proposal will highlight the background of the partners and staff assigned to the engagement, summarize our experience in the governmental area, and describe our approach to auditing the City.

This proposal demonstrates our ability to render the quality examination and to perform the necessary accounting and auditing services requested by the City on a timely basis.

As a partner of the Firm, I will be the primary contact for negotiation of the contract. Additionally, I have been authorized to legally bind the Firm. You may contact me at the following address and phone number:

Mr. Ahmed Badawi, CPA
Badawi & Associates
Certified Public Accountants
180 Grand Ave. Suite 1500
Oakland, CA 94612
Telephone: (510)768-8244
E-mail: abadawi@b-acpa.com

Ms. Ana Kwong
Finance Director
City of Sebastopol
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We are committed to performing the required work, completing the audit, and issuing the necessary auditors' reports prior to the City's published time frames and commit to you that we will perform the work within the time frames required.

We believe we are the best qualified to perform the audit because our audit staff includes individuals well versed in municipal auditing and reporting requirements. We have performed auditing and consulting engagements for numerous cities throughout California. We will be responsive to the needs of the City, we understand the City's operational environment, and pledge to you our complete commitment to providing a quality product that meets the City's requirements.

The approach to the audit has been designed to meet the audit requirements of the various authorities with the least disruption to the City's office operations. The foundation of the audit approach is based on communication coupled with a strong knowledge of City operations and detailed planning at the initial stages of the audit. Open communication lines with all parties of the Engagement Team and City Management and staff throughout the engagement eliminate "surprises". Initial planning and proper assignment of duties to experienced personnel provide for an effective and efficient audit process. Consequently, inefficiencies and disruptions are kept to a minimum. In addition, we perform almost half of the audit tasks during the interim phase to minimize any unforeseen delays during the year-end phase and to ensure a smooth and timely audit process.

The Firm maintains liability insurance coverage for professional liability, Workers' Compensation, Comprehensive General Liability and Auto as part of our comprehensive insurance policy.

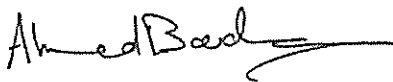
The Firm is an Equal Opportunity employer and complies with all Federal and State hiring requirements. The Firm also supports Affirmative Action philosophies and works hard to provide disadvantaged groups with opportunities for self enhancement.

This proposal is a firm and irrevocable offer for 180 days.

We are confident that you will find our organization offers the required expertise, technical knowledge, and business understanding to perform an audit of the City. Our past experience provides us with a thorough understanding of the needs and requirements of the City, as well as the technical knowledge to perform such services in accordance with the accounting and auditing guidelines as published by the various authoritative entities.

We welcome your inquiries and look forward to further discussions with you.

Sincerely,



Ahmed Badawi
Partner
Badawi & Associates
Certified Public Accountants

Independence**Independence**

The Firm is independent of the City of Sebastopol as defined by the GAO's *Standards for Audit of Governmental Organizations, Programs, Activities and Functions*, and the AICPA and California State Society of Certified Public Accountants as promulgated in various auditing and professional standards.

Insurance

The Firm maintains professional liability insurance and other coverage as part of our comprehensive insurance policy. Upon selection as City's independent auditor, the Firm and our insurance provider will provide a certificate of insurance to City which shows the minimum requirements identified by City have been met.

License to Practice in California

The Firm and all key professional staff assigned to City's audit are properly licensed to practice as Certified Public Accountants in the State of California and comply with GAO *Government Auditing Standards*.

The Firm is registered with the California State Board of Accountancy. Its State number is COR6823.

The Firm has met all required State and local laws, rules, and regulations.

Firm Qualifications**Firm
Qualifications
and
Experience**

Badawi & Associates was founded by Mr. Ahmed Badawi. Mr. Badawi has over 20 years of experience working with state and local government with a special focus on cities. Prior to founding B&A, Mr. Badawi was a partner with several local and national firms, where he headed their government practice in Northern California. Mr. Badawi founded Badawi & Associates to serve the fast-paced needs of California's local governments. The goal is to build a proactive, client-focused culture from the ground up and to eliminate the entrenched bureaucratic culture and intrinsic limitations of the big audit firms.

Located in Oakland, CA, the Firm serves a variety of cities throughout California as well as conducting financial related services for numerous special districts and authorities. Names and phone numbers of several of our current and past clients and other references are provided for your inquiries. We encourage you to contact these individuals to obtain information on the quality of the audit and the ability of the audit staff.

Our Oakland office will be the Engagement Office assigned to the City.

In addition to specific city financial statements, the Firm members have also audited numerous redevelopment agencies, public financing authorities, hospitals, housing authorities, transportation authorities, special districts, water districts, OCJP grants, self-insurance pools, joint power authorities and has also performed numerous compliance audits in accordance with the Single Audit Act, childcare regulations, TOT regulations, AQMD regulations, franchise requirements, RDA compliance, and other special projects. Additionally, the Firm has significant experience in bond offerings, post closure landfill costs, and recent changes to redevelopment agency reporting requirements.

The Engagement Partner assigned to the City, Mr. Ahmed Badawi. Mr. Badawi has over 20 years of government audit experience. He is a member of various governmental committees, has actively participated in the development of accounting and audit guidelines for the governmental sector, and is an instructor for the California Society of Municipal Finance Officers.

The professional staffs assigned to the Engagement are qualified and experienced. Each individual of the Engagement Team has several years of experience and has conducted or participated in numerous municipal audits of various sizes. Their understanding of governmental operations and the various authoritative guidelines will provide the where-with-all to perform the audit in an efficient and effective manner with minimal disruption to the City's finance department.

Technical Approach

The approach to the audit has been designed to meet the audit requirements of the various authorities with the least disruption to the City's operations. The foundation of the audit approach is based on communication coupled with a strong knowledge of City operations and detailed planning at the initial stages of the audit. Open communication lines with all parties of the Engagement Team and City Management and staff throughout the engagement eliminate "surprises". Initial planning and proper assignment of duties to experienced personnel provide for an effective and efficient audit process. Consequently, inefficiencies, disruptions, and lack of understanding are kept to a minimum.

The audit approach will consist of four phases:

Initial Planning Meeting:

The Engagement Partner and Manager will meet with City Management to discuss the audit approach, identify specific needs of City Management, and familiarize themselves with City policies and practices.

Interim:

The Engagement Team members including the Engagement Team Partner will perform the internal control reviews, test transactions, evaluate compliance with Single Audit Act requirements, identify potential audit issues that need to be addressed, perform limited confirmation procedures, and develop a clear understanding between the Engagement Team and City Management of the year end audit responsibilities and assignments. **In addition, we strive to complete many of the year-end audit tasks during the interim phase to ensure a smoother audit process. We will work with the City on providing a list of those tasks that we will target to complete during interim and work with the City on how to complete them to minimize the amount of effort and time needed at year-end which in turn will assist the City in meeting its goal of issuing the CAFR by the desired deadline.**

Year end:

The Engagement Team members including the Engagement Team Partner will conduct validation procedures on general ledger account balances, complete confirmation procedures, perform analytical procedures on revenue and expenditures, perform search for unrecorded liabilities, complete compliance work on Federal Assistance, and wrap up audit field work.

Reporting:

Auditor's reports for all City reporting entities and compliance requirements will be finalized along with Single Audit Reports and Management Letter comments. The Partner and Manager will be available to make presentations to the City Council and/or designated bodies.

Firm Experience

The Firm is located in Oakland, and provides a full range of accounting services to governmental agencies throughout California, including audit, tax and accounting. The Firm’s professional staff members provide the financial background and specific experience to meet the City’s operational needs. Additionally, this situation provides the City with an auditing firm that has depth in capabilities to address any financial issue the City may need assistance with, and the quality audit approach that you expect.

Our Oakland office will be the Engagement Office assigned to the City.

Firm policy requires that the Engagement Partner, during the first year of the engagement, be actively involved in the daily fieldwork. This means to the City that Mr. Badawi will actually be on-site during the audit coordinating the audit process, supervising the audit staff, gaining a hands-on understanding of City processes, and benefiting the City with his broad municipal experience. We have found that this effort benefits the City and the Firm through developing a thorough knowledge of the City’s practices and issues and establishing a close working relationship with the City’s Management. Additionally, continuity of audit personnel is assured because of the hands on involvement of the Partner.

We are committed to providing appropriate and related experience, personal involvement, and a broad business perspective to produce a quality end product within the time frames required.

The Firm provides financial and compliance auditing services to governmental agencies throughout California. We are a governmental agency auditing firm and our professional staff members have been performing these services for many years. As a result, we have performed financial and compliance audits on most, if not all, types of governmental agencies and operations including:

- | | | |
|--------------------------|---|-----------------------------|
| • Cities | • Waste Management Authorities and Operations | • Investment Activities |
| • Redevelopment Agencies | • Pension Plans | • Landfills |
| • Financing Authorities | • Child Care Operations | • Enterprise Funds |
| • Housing Authorities | • Joint Power Authorities | • Airports |
| • Special Districts | | • Transportation Operations |
| • Water Districts | | • Federal and State Grants |

Additional Activities

We offer a full range of accounting and finance services to the governmental sector. These services include:

- | | |
|---|---|
| • Financial audits | • Operational reviews |
| • Compliance audits | • Technical guidance on existing and upcoming accounting issues |
| • Tax advice | • Training seminars |
| • Development of financial and accounting policies and procedures | • Pension/profit-sharing plans |
| • Investment review and compliance evaluation | • Performance audits |
| | • Business consulting |

Consequently, Firm personnel are well qualified to perform the services expected by the City.

Client Training Seminar

The Firm hosts an annual update on recent technical accounting and finance issues affecting the governmental area. This all day session reviews new and anticipated pronouncements from GASB, discusses future issues under consideration by GASB, reviews accounting treatment of various transactions where issues may arise, and provides a general overview of state and federal compliance issues. All of our clients are invited to attend, free of charge. The one day session qualifies for CPE under the rules of the State Board of Accountancy and is held in locations throughout the Bay Area.

CSMFO Training

The Firm provides a one-day training session entitled "Introduction to Governmental Accounting" to members of CSMFO. Firm personnel developed the class materials and teach the sessions. Approximately 10 sessions are held annually at various locations throughout the State. The Firm provides these sessions for only the cost of materials to CSMFO in keeping with its philosophy to support the industry in which it serves.

GASB 68 Firm Developed Tools and Assistance

The Firm has developed tools to assist our clients with GASB 68 implementation or preparation of journal entries for the CalPERS' Cost Sharing Plans for which individualized actuarial valuations are no longer prepared. In addition to providing our clients with these tools and instructions on how to use them, we are available to answer any questions on how to prepare and complete your GASB 68 journal entries.

Quality Control Review

According to Government Auditing Standards, firms who perform audits under the Yellow Book are required to have a peer review once every three years. We received a report with a rating of pass with no deficiencies which we attached for your review.



JOHN LERAS, CPA
STEPHEN C. WILLIAMS, CPA
JOSEPH O. ROMERO, CPA

System Review Report

Badawi & Associates

Oakland, California;

and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Badawi & Associates (the firm) in effect for the year ended February 29, 2016. 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. As part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. 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. 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. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*.

In our opinion, the system of quality control for the accounting and auditing practice of Badawi & Associates in effect for the year ended February 29, 2016, 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*. Badawi & Associates has received a peer review rating of *pass*.

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your
Success
is our
DESTINATION

Gyl Decauwer LLP

Ontario, California

May 20, 2016

CPA AMERICA
INTERNATIONAL
Crowe Horwath International

B&A have policies and procedures to ensure it hires only qualified people, that it properly supervises them and provides professional training, that it advances them to responsibilities they are capable of handling, and that it provides them with necessary technical resources. All members of B&A are very familiar with the stringent quality control standards established by the AICPA.

The Firm is a member of the AICPA Government Audit Quality Center.

The Firm is a member of the AICPA Private Companies Practice Section.

Federal or State Desk Reviews

The Firm has had no negative federal or state reviews in the past three (3) years.

Disciplinary Action

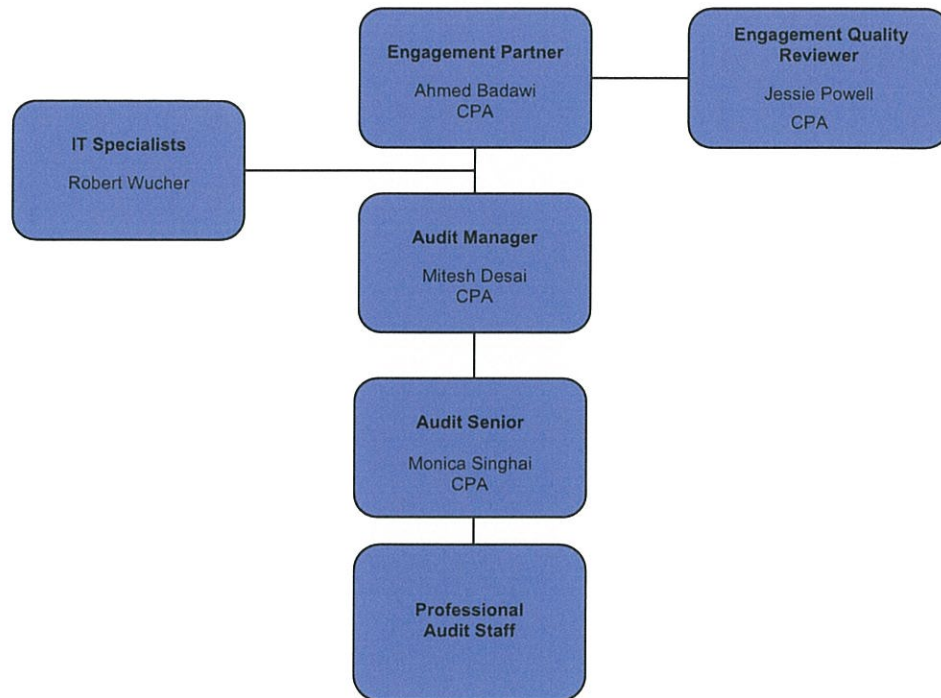
There has not been any state or federal disciplinary actions taken or pending against the Firm nor any findings to report.

Lost Clients and Pending Litigations:

The Firm has not experienced termination of any contracts before completion, and has not experienced any lawsuits or legal actions that have been resolved or are currently pending in the prior five years.

**Partner,
Supervisory,
and Staff
Qualifications
and
Experiences**

The Engagement Team will normally consist of six individuals who provide a broad business perspective and significant experience in governmental auditing. This team will provide access to a wide range of technical capabilities which will provide the City with not only the technical support necessary to perform the audit, but also the broad business background to interpret findings and observations to offer effective solutions to issues, and the personal involvement of the Engagement and Compliance Partners of the Firm.



The Engagement Team will be led by Ahmed Badawi, CPA. Mr. Badawi’s background includes over twenty years of municipal auditing and accounting experience with a special focus on cities. He is the instructor of the CSMFO “Introduction to Governmental Accounting” training classes. Mr. Badawi is a member of the Government Accounting and Auditing Committee, the Accounting Principles and Auditing Standards Committee and the State Technology Committee of the California Society of Certified Public Accountants. He has participated in the audits of numerous city, county and special district governments, as well as non-profit entities. His diversified background offers the technical qualities required of the governmental and non-profit areas and the necessary wherewithal to properly evaluate the entire accounting process, develop opportunities to improve the accounting process, and to offer practical business recommendations. Mr. Badawi is licensed as a CPA with the ability to attest an opinion on an audit.

The second member of the Engagement Team is Mitesh Desai, CPA. Mr. Desai’s background includes ten years of experience in municipal auditing with a special focus on cities. Mr. Desai has participated in the audits of numerous governmental agencies, assisted in their efforts to publish their CAFRs in compliance with GASB 34, and a volunteer member of the GFOA Special Review Committee. Mr. Desai has also achieved the Advanced Single Audit Certificate offered by the AICPA. He will serve as the Audit Manager.

The third member of the Engagement Team is Monica Singhai, CPA. Mrs. Singhai's background includes over fourteen years of experience in municipal auditing experience. She has participated in the audits of numerous governmental agencies and assisted in their efforts to publish their financial statements in compliance with various regulations. Mrs. Singhai will be the Senior of this engagement.

The fourth member of the Engagement Team is Robert Wucher. Mr. Wucher has 30 years of experience in the field of Information Technology (IT) at the senior and executive management level. He has worked extensively with government agencies, private organizations and public companies. Industry experience includes the public sector, banking, manufacturing, Internet, health care and not-for-profit organizations.

The fifth member of the Engagement Team is Jessie Powell, CPA. Ms. Powell background includes thirty five years of accounting and auditing experience. She has an extensive background in audit and accounting engagements for small businesses and specializing in governmental entities and not-for-profit organizations. She also performs second partner reviews and engagement quality control reviews for several CPA firms throughout California and is an active peer reviewer for the CalCPA Peer Review Program. She has participated in the audits of numerous district, and city governments, as well as non-profit entities. Her diversified background offers the technical qualities required of the governmental and non-profit areas and the necessary wherewithal to properly evaluate the entire accounting process, develop opportunities to improve the accounting process, and to offer practical business recommendations. Ms. Powell will serve as an Engagement Quality Reviewer of this engagement.

Each member of the Engagement Team participates in continuing education programs offered by the AICPA and California State Society of Certified Public Accountants, and each has met the continuing education requirements for municipalities. In addition, the firm offers at least 60 hours of in-house CPE annually focused mainly on municipal audits.

Professional Development:

The Firm maintains a comprehensive training program targeted at appropriate professional staff levels. It utilizes in-house developed educational programs, AICPA and California CPA Foundation educational programs, and on-the-job training.

The Firm's annual training schedule which officially begins in April for all professional staff and administrative staff includes comprehensive in-house training sessions on such topics as:

- Review of principles of accounting and financial reporting for state and local governments.
- Review of governmental fund types and account groups.
- Review of newly issued generally accepted auditing standards and GAO auditing standards.
- Review of Internal Control evaluation approaches including COSO principles.
- Updates on recent governmental accounting and reporting guidelines.
- Review of Single Audit requirements and approaches.
- Review of financial audit approaches.
- Overview of audit and internal control work paper techniques.
- Review of GASB reporting requirements.
- Review of current issues facing the governmental community.

During the year, professional staff members are sent to various educational sessions sponsored by the AICPA and California State Society of CPAs, as considered appropriate for the level and need of the individual. These classes include, among others:

- Governmental Financial Reporting Standards and Practices.
- Yellow Book: Government Auditing Standards.
- Financial Accounting Standards: Comprehensive Review.
- Single Audit.
- Governmental Auditing & Accounting Update.
- Governmental Accounting Principles.
- Comprehensive Review of Generally Accepted Auditing Standards

The result of the Firm's training program is the production of a highly educated and competent municipal audit group capable of performing an efficient and effective audit for the City.

The Team members will continue their professional development efforts.

Staff Retention and Continuity:

The Firm's policy on providing service to our clients includes a commitment to maintaining continuity of audit personnel. We cannot guarantee that our staff will remain with the Firm. However, to encourage our staff to remain with us, we pay competitive wage rates; offer promotional opportunities; provide state-of-the-art equipment and excellent working conditions; and offer various benefits, such as retirement plans, medical plans, profit sharing programs, educational benefits, and other such benefits. Additionally, we will guarantee that any staff member assigned to this engagement will return to the City in subsequent years if he or she is still with the Firm. We can also guarantee that the partner will be involved in future years. Continuity of audit staff is of prime concern to us and because of the hands-on involvement of the partner; we can assure you that future years' audits will be conducted in an efficient and effective manner with qualified and experienced professionals.

The Firm is an Equal Opportunity employer and complies with all Federal and State hiring requirements. The Firm also supports Affirmative Action philosophies and works hard to provide disadvantaged groups with opportunities for self enhancement.

Resumes of each member of the Engagement Team follow.

Ahmed Badawi, *Certified Public Accountant* – Engagement Partner

Length of Career

- Twenty years' experience in municipal auditing and accounting with a special focus on cities.
- Certified Public Accountant for the State of California.

Professional Experience

- Partial listing of clients served:

	Services Provided					
	Financial Audit	Single Audit	RDA Audit	PFA Audit	Enterprise Fund	Other
Cities:						
Antioch	X	X		X	X	X
Albany	X	X	X			X
Berkeley	X	X	X		X	X
Burlingame	X				X	X
Dublin	X	X				X
Fremont	X	X	X			X
Pleasanton	X	X		X		X
Redwood City	X	X	X		X	X
Richmond	X	X	X	X	X	X
San Bruno	X	X	X		X	X
San Leandro	X	X	X			X
San Mateo	X	X	X		X	X
Turlock	X	X	X	X	X	X
Union City	X	X	X		X	X
Walnut Creek	X	X	X		X	X
Counties:						
Santa Cruz County	X	X	X	X	X	X
Contra Costa County	X	X	X	X	X	X
County of Lassen	X	X			X	X
Special Districts and Other:						
Port of Redwood City	X	X				X
Marin Municipal Water District	X					X
Coastside Fire Protection District	X					X
Alameda County Water District	X				X	X
Cosumnes Community Services District	X					X
East Bay Regional Park District	X	X				X
Metropolitan Transportation Commission						X
South Bayside System Authority	X					X
Stanislaus County Childcare	X					X
West County Wastewater District	X					X
Health Care:						
Alameda County Medical Center	X	X				X
Family HealthCare Network	X					X

- Has performed numerous financial audits, Single Audits, Transportation Development Act audits, housing audits, electrical utility audits, RDA audits, PFA audits, and Trust Fund audits, and has prepared numerous CAFRs.

Education

- BS Degree in Accounting from the University of Alexandria, Egypt.

Professional Activities

- Instructor, CSMFO's "Introduction to Governmental Accounting" training class.
- Member, CALCPA Government Accounting and Auditing Committee
- Member, CALCPA Accounting Principles and Auditing Standards Committee
- Member, CALPCA State Technology Committee
- Member, American Institute of Certified Public Accountants.
- Member, California Society of Certified Public Accountants.
- Member, Government Finance Officers Association.
- Member, California Society of Municipal Finance Officers.
- Chair, Audit Committee, San Francisco SPCA, a CA nonprofit organization

Continuing Education

Has met the current CPE educational requirements to perform audits on governmental agencies

Mitesh Desai, Certified Public Accountant – Professional Audit Manager

Length of Career

- Ten years’ experience in municipal auditing with a special focus on cities.
- Certified Public Accountant for the State of California.

Professional Experience

- Has participated in several financial audits, Single Audits, RDA audits, PFA audits, Transportation Development Act audits, and housing audits

	Services Provided					
	Financial Audit	Single Audit	RDA Audit	PFA Audit	Enterprise Fund	Other
Cities:						
Antioch	X				X	X
Albany	X					
Barstow	X	X			X	X
Berkeley	X	X	X		X	X
Buena Park	X	X			X	X
Foster City	X	X	X		X	X
Fremont	X	X	X		X	X
East Palo Alto	X	X			X	X
Lemon Grove	X				X	
Newark	X	X	X			X
Menlo Park	X				X	X
Oakdale	X	X			X	X
Pittsburg	X	X	X		X	X
Placerville,	X	X			X	X
Redwood City	X	X			X	X
Rio Vista	X		X		X	X
San Mateo	X	X	X		X	X
Susanville	X					
Turlock	X				X	X
Union City	X				X	X
Vacaville	X	X	X	X		X
Yountville	X				X	X
Counties:						
Contra Costa	X	X	X	X	X	X
Glenn		X				
Santa Cruz	X	X	X	X	X	X
Other:						
Alameda County Water District	X					X
Alameda County Medical Center	X	X				X
Castro Valley Sanitary District	X					
Cosumnes Community Services District	X					
Golden Valley Health Centers	X					X
Marin Municipal Water District	X					
West County Wastewater District	X					X
Contra Costa Child Development Programs	X					X
Stanislaus County Childcare	X					X

Education

- BS Degree in Business Economics with an emphasis in Accounting from University of California, Santa Barbara

Professional Activities

- * Member, American Institute of Certified Public Accountants.
- * Member, California Society of Certified Public Accountants.
- * Volunteer Member, GFOA Special Review Committee

Continuing Education

- Various municipal accounting courses offered by the California Society of CPAs and local universities including:
 - Governmental Financial Reporting Standards and Practices
 - Yellow Book: Government Auditing Standards
 - Municipal Accounting
 - Single Audit
- Has met the current CPE educational requirements to perform audits on governmental agencies.

Monica Singhai, Certified Public Accountant – Professional Audit Senior

Length of Career

- Fourteen years’ experience in auditing with special focus on municipalities.
- One year experience in accounting related position.
- Certified Public Accountant for the State of California.

Professional Experience

- Has participated in several financial audits, Single Audits, RDA audits and PFA audits

	Services Provided				
	Financial Audit	Single Audit	RDA Audit	PFA Audit	Enterprise Fund
Cities:					
City of Berkeley	X	X			X
City of East Palo Alto	X				X
City of Menlo Park	X	X			X
City of Redwood City	X	X			X
Special District:					
Alameda County Fire District	X				
Alameda County Law Library	X				
Burbank Sanitary District	X				X
Lions Gate Community Service District	X				
Los Medanos Community Health Care District	X				
Oakland-Alameda County Coliseum Authority	X				
School District:					
Bayshore Elementary School District	X				
Belmont-Redwood Shores School District	X	X		X	
Brisbane School District	X				
Jefferson Elementary School District	X	X			
La Honda-Pescadero Unified School District	X	X		X	
Pacifica School District	X	X			
Ravenswood City School District	X	X			X
Redwood City School District	X	X			
San Mateo-Foster City School District	X	X			X
Charter schools:					
Oakland Military Institute College Preparatory Academy	X	X			
Sacramento Valley Charter School	X				
West Sacramento College Prep Charter School	X				
First 5:					
First 5 Alameda County	X	X			
First 5 Inyo County	X				
First 5 Marin County	X				
First 5 Monterey County	X				
First 5 Santa Cruz County	X				
Others:					
Alameda County Housing Community Development Agency	X	X			X
Alameda County Redevelopment Agency	X		X		
Alameda County Successor Agency	X				
City of Oakland - Measure C	X				
City of Oakland - Measure Y	X				
City of Oakland - Child Care and Development Program	X				
City of Oakland - Wildfire Prevention Assessment District	X				

Education

- Bachelor of Science in Accounting from Jabalpur University, India.

Professional Activities

- * Member, California Society of Certified Public Accountants.
- * Member, Institute of Chartered Accountants of India.

Continuing Education

- Various local governments and not for profit accounting courses offered by the California Society of CPAs and AICPA including:
 - Governmental Financial Reporting Standards and Practices
 - Yellow Book: Government Auditing Standards
 - Single Audit

Has met the current CPE educational requirements to perform audits on governmental agencies.

Robert Wucher – Information Technology Specialist**Length of Career**

- Thirty years' experience in information technology (IT)
- Worked extensively with government agencies, private organizations and public companies
- Industry experience includes public sector, banking, manufacturing, internet, healthcare, and not-for profit organizations

Areas of Expertise

- Systems Auditing and Controls Review (SEC AU-314, SAS-109, SAS-94)
- Sarbanes-Oxley, Section 404 IT Compliance Consulting and Auditing
- Journal Entry Analysis in Support of SAS-99 using IDEA by Caseware
- SSAE-16 (SOC 1, 2 & 3), Type I & II Reporting (Formerly SAS-70)
- ERP/MRP System Reviews and Workflow Analysis
- Software as a Service (SaaS) Cloud Computing Technologies
- International and Multinational Company IT Audit Expertise
- Forensic Data Analysis and Litigation Support in Support of Fraud Auditing
- Systems Selection and Request-for-Proposal (RFP) Development
- Systems Programming and Data Conversion
- Systems Failure Analysis and Quality Improvement
- E-Commerce and EDI Systems
- Information Technology Strategic Planning
- System Process/Procedures Development and Implementation
- Disaster Recovery and Business Continuity Planning

Publications

- Author, The Top Five Tips Every Technology Executive Needs to Know About Sarbanes-Oxley, Published 2007, Aspatore Books
- Author, Winning Legal Strategies for Technology & E-Business, An Overview of IT Controls Under Sarbanes-Oxley Published 2005, Aspatore Books

Presentations

- IT Security Trends
- Data Privacy and Cloud Computing
- IT Trends and Red Flag Rule
- IT Controls for NFP Organizations

Education

- B.S. degree in Business Administration, Finance, Old Dominion University, Norfolk, VA.

Professional and Civic Associations

- Member, Information Systems Audit and Control Association (IASCA)
- MAS-90 Accounting Application Suite Qualified Installer, SAGE Systems
- Former Board Member, Pets are Wonderful Support (PAWS), San Francisco, CA

Jessie Powell, CPA – Engagement Quality Reviewer**Length of Career**

- Thirty-five years of accounting and auditing experience.
- Extensive background in audit and accounting engagements for small businesses and specializes in governmental entities and not-for-profit organizations
- Performs second partner reviews and engagement quality control reviews
- Active peer reviewer for the CalCPA Peer Review Program
- Participates in the audits of numerous district, and city governments, as well as non-profit entities.

Education

- B.S, Business Administration, California State University, Long Beach

Professional Activities

- * Board Member, Kimberly-Shirk Association
- * Board Member, YMCA of the East Valley
- * Member, American Institute of Certified Public Accountants
- * Member, California Society of Certified Public Accountants
- * Member, CalCPA Governmental Accounting & Auditing Committee
- * Committee Member, CalCPA Accounting Principles and Auditing Standards Committee
- * Member, Redlands Chapter of the American Association of University Women
- * Former Member, CalCPA Peer Review Committee
- * Former team captain, AICPA Peer Review Program
- * Former President, Inland Empire Chapter of CalCPA
- * Former President, YMCA of the East Valley
- * Former President, Soroptimist International of Redlands
- * Former Treasurer, Kimberly-Shirk Association
- * Former Treasurer, CalCPA Group Insurance Trust
- * Former Treasurer, Redlands Community Music Association
- * Former Treasurer, Family Service Association of Redland
- * Former Treasurer, Soroptimist International of Redlands
- * Former Committee Chair, CalCPA Accounting Principles and Auditing Standards Committee
- * Former Member, California State Board of Accountancy Administrative Committee
- * Former Lecturer on Governmental and Non-Profit Accounting at university level

**Similar
Engagements
with Other
Governmental
Entities**

The table on the following page is a partial listing of our clients similar to the City, and illustrates the many different types of components involved in each audit engagement that present very difficult and complex auditing and accounting challenges.

- * Indicates cities with population over 50,000
- ** Indicates cities with governmental revenues over 100 million and population over 50,000

	City	Client Since	Hours	Engagement Partner	Principal Contact	CAFR	GFOA Award	RDA/ Successor Agency	Single Audit	TDA	Child Care Audit	Housing Authority	Enterprise Funds
**	Berkeley	2008	1800	Ahmed Badawi	Mr. Henry Oyekanni Finance Director (510)981-7300 hoyekanmi@ci.berkeley.ca.us	Yes	Yes	X	X	X			X
**	Redwood City	2006	600	Ahmed Badawi	Mr. Derek Rampone Financial Services Manager (650)780-7071 drampone@redwoodcity.org	Yes	Yes	X	X	X			X
**	San Mateo	2004	500	Ahmed Badawi	Mr. Drew Corbett Finance Director (650)522-7104 dcorbett@cityofsanmateo.org	Yes	Yes	X	X	X			X
**	Vacaville	2008	600	Ahmed Badawi	Mrs. Davina Hatfield Accounting Manager (707)449-5104 dhatfield@cityofvacaville.com	Yes	Yes	X	X	X		X	X
*	Union City	2006	600	Ahmed Badawi	Ms. Gayle Okada Supervising Accountant (510)675-5352 gayleo@unioncity.org	Yes	Yes	X	X	X			X
*	Antioch	2005	470	Ahmed Badawi	Ms. Dawn Merchant Finance Director (925)779-6135 Dmerchant@ci.antioch.ca.us	Yes	Yes	X	X	X			X
	Menlo Park	2014	514	Ahmed Badawi	Mr. Rosendo Rodriguez Finance Director (650)330-6640 RRodriguez@menlopark.org	Yes	Yes	X	X	X	X		X
	Newark	2009	550	Ahmed Badawi	Ms. Susie Woodstock Director of Administrative Services (510)578-4804 susie.woodstock@newark.org	Yes	Yes	X	X	X			
	Albany	2008	380	Ahmed Badawi	Mr. David Glasser Finance & Administrative Service Director (510)528-5730	Yes	Yes	X		X			X
	Rio Vista	2009	480	Ahmed Badawi	Ms. Mary Lee Sharer Finance Manager (707)374-6451 Ext. 1118 msharer@ci.rio-vista.ca.us	No	N/A	X	X	X			X
	Barstow	2012	550	Ahmed Badawi	Ms. Cindy Prothro Finance Director (760)255-5115 cprothro@barstow.ca.org	Yes	Yes	X	X				X
	Buena Park	2013	500	Ahmed Badawi	Mr. Sung Hyun Finance Director (714)562-3717 shuyn@buenapark.com	Yes	Yes	X	X				X
	Susanville	2013	450	Ahmed Badawi	Mr. Jared Hancock City Administrator (530)252-5100 jhancock@cityofsusanville.org	Yes	CSMFO						X
	East Palo Alto	2014	450	Ahmed Badawi	Ms. Brenda Olwin Finance Director (650)853-3122 bolwin@cityofepa.org	Yes	Yes	X	X				X
	Millbrae	2015	400	Ahmed Badawi	Mr. Kenneth Spray Finance Director (650)259-2433 kspray@ci.millbrae.ca.us	Yes	N/A	X					X
	Calimesa	2013	350	Ahmed Badawi	Ms. Bonnie Johnson Finance Director (909)795-9801 ext 231 bjohnson@cityofcalimesa.net	No	N/A						
	Yountville	2015	300	Ahmed Badawi	Mrs. Maria Ojeda Finance Director (707)944-8851 rarrow@yville.com	No	N/A						X
	Lemon Grove	2013	350	Ahmed Badawi	Mr. Gilbert Rojas Finance Director (619)825-3803 grojas@lemongrove.ca.gov	No	N/A	X					X
	Crescent City	2014	300	Ahmed Badawi	Ms. Linda Leaver Finance Director (707)464-7483 x224 lleaver@crescentcity.org	No	N/A	X	X			X	X

The table below lists all special district engagements:

Special District	Client Since	Hours	Engagement Partner	Principal Contact	CAFR	GFOA Award	Single Audit	Enterprise Funds
Florin Resource Conservation District/ Elk Grove Water District	2015	350	Ahmed Badawi	Mr. Jim Malberg Finance Manager/Treasurer (916)685-3556 jmalberg@egw.d.org	Yes	Yes		X
Marin Municipal Water District	2010	350	Ahmed Badawi	Mrs. Mikyung Pustelnik Finance Manager (415)945-1410 mpustelnik@marinwater.org	Yes	Yes	X	X
Cosumnes Community Services District	2008	350	Ahmed Badawi	Mr. Jeff Ramos General Manager (916)405-7150 jefframos@yourcsd.com	Yes	Yes		
Monterey Bay Unified Air Pollution Control District	2016	200	Ahmed Badawi	Ms. Joyce Giuggre Administrative Services Manager (831)-718-8019 jgiuffre@mbard.org	No	N/A		
Port of Redwood City	2006	200	Ahmed Badawi	Mr. Rajesh Sewak Manager of Finance & Admin. (650)306-4150 rsewak@redwoodcityport.com	No	N/A	X	X
Central County Fire Department	2012	150	Ahmed Badawi	Ms. Jan Cooke Finance Director (650)375-7408 jcooke@hillsborough.net	Yes	Yes		
Aptos La Selva Fire District	2016	120	Ahmed Badawi	Ms. Tracy New Director of Business Services 6934 Soquel Drive Aptos, CA 95003 (831)-685-6690	No	N/A		

What Our Clients Say About Us

In addition to the references provided in Appendix A, we have also provided contact information for all our clients on the previous page if you would like to speak to any of them about their experience with us. These are some of the things our clients have said about us.

“I would recommend Badawi & Associates to anyone seeking professional and knowledgeable audit services”

Sung Hyun
Finance Director
City of Buena Park

“This was the District’s first year with Badawi & Associates and I found the entire team to be responsive, thorough, detailed and professional. Not only was this a first year audit, but we also implemented GASB 68 and completed a major restatement of the District’s Capital Assets. With all of those moving pieces, this was by far the smoothest first year audit that I have ever participated in.”

Jim Malberg
Finance Manager
**Florin Resource Conservation District/
Elk Grove Water District**

Understanding of Services to be Provided

The City desires an audit of the financial records for the City and an expression of an opinion in accordance with generally accepted accounting principles on the fairness of presentation of financial statements for the fiscal years ending June 30, 2017 to 2019 with an option to extend for two subsequent years.

The Firm will:

- Express an opinion on the fair presentation of its basic financial statement which includes but is not limited to the financial statements of governmental activities, the business-type activities, each major fund and all aggregate remaining fund information in conformity with generally accepted accounting principles in the United States of America.
- Express an opinion on the fair presentation of its combining and individual non-major and fiduciary fund financial statements and schedules in conformity with generally accepted accounting principles. The Firm will provide an “in-relation-to” report on the supporting schedules contained in the comprehensive annual financial report based on the auditing procedures applied during the audit of the basic financial statements and schedules.
- Provide an “in-relation-to” report on the schedule of federal financial assistance based on the auditing procedures applied during the audit of the financial statements.
- Perform the audit in accordance with generally accepted auditing standards accepted in the United States of America, applicable to the financial audit contained in the Government Auditing Standards issued by the Comptroller General of the United States and the provisions of the Uniform Guidance, Audits of States, Local Governments and Non-Profit Organizations.
- Perform limited procedures on supplementary information required by the Government Accounting Standards Board.
- Issue the following reports, following the completion of the audit of the fiscal year’s financial statements:
 - Independent Auditor’s Report on Financial Statements and Schedule of Expenditure of Federal awards
 - Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards
 - Management Letter comments on Internal Controls
 - Independent Auditor’s Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with the Uniform Guidance
 - Schedule of findings and questioned costs
 - Auditor’s Communication with Those Charged with Governance
 - Comprehensive Annual Financial Report following the requirements and guidelines of the GFOA award program
 - Gann Report
 - Report of Financial Transactions for the State Controller’s Office
 - Annual Street Report
- Provide special assistance to the City as needed.
- Retain all working papers and reports at the audit firm’s expense for a minimum of 5 years. In addition, make working papers available to the City and/or any government agency as appropriate.

Should any conditions be discovered requiring corrective action, the Firm will provide a detailed description of the findings and recommended actions as to their resolution.

The Firm will submit a report to the City Council and management detailing auditor's responsibility under generally accepted auditing standards, significant accounting policies, management judgments and accounting statements, significant audit adjustments, other information in documents containing audited financial statements, disagreements with management, management consultations with other accountants, major issues discussed with management prior to retention, difficulties encountered during the audit, and any significant deficiencies or material weaknesses found during the audit. Non-material instances of noncompliance will be reported in a separate management letter, if appropriate, along with any other observations or recommendations determined to be informative to City management.

The Firm will be available to provide advice and counsel regarding significant matters during the year.

The Firm's Partner and Staff welcome the opportunity to make presentations to the City Council and will be ready to respond to questions from the Council and citizens of the City.

Objectives of Our Services

The basic objective of our audit of the City is to conduct an examination of the financial statements in accordance with generally accepted auditing standards and to express our opinion on the fairness of presentation of such financial statements in conformity with generally accepted accounting principles.

Additionally, we believe that another real value of our audit lies in meeting other objectives at no additional cost. The following are other objectives of our services that have important benefits to the City:

- To offer substantive observations and recommendations relating to accounting and operating control policies and procedures.
- To identify opportunities for operating efficiencies and isolate candidate activities for cost reduction opportunities.
- To perform a professional audit in an efficient and effective way to minimize disruption to the office operations.
- To offer ongoing advisory services to assist in the running of the operation and implementation of improved operating procedures.

The engagement will be conducted within the framework of the Firm's quality control program which includes the use of audit programs, careful planning, use of computerized audit software and internal control evaluation & documentation software, and objective review procedures. On-site staff will use Firm supplied portable computers and printers.

Specific Audit Approach

Audit Approach

The specific audit approach has been designed to efficiently and effectively address the audit requirements of the City, to perform the audit of the City's financial records in a timely manner with minimal disruptions to office operations, and to meet the City's timeline.

The audit will be conducted in accordance with:

- 1) Generally accepted auditing standards established by the AICPA.
- 2) The standards contained in Government Auditing Standards issued by the GAO.
- 3) Provisions of the Single Audit Act and the Uniform Guidance.
- 4) Requirements issued by the California State Controller's office.
- 5) Other requirements as required.

We will conduct the necessary audit steps to perform:

- Planning of the engagement.
- Evaluation of the existing internal control environment to determine degree of risk of material misstatement.
- Determination of degree of compliance with laws, regulations, grant provisions, and City approved policies.
- Assessment of potential fraudulent issues.
- Validation of account balances.
- Verification of reasonableness of management estimates.

Technical Approach

We use an industry specific audit approach tailored to governmental entities. Our governmental audit approach addresses the special risks and circumstances of local governments. As a result, the audit is conducted efficiently and effectively with minimal disruption to your staff.

The core of our governmental technical audit approach can be summarized as follows:

1. **Planning, Understanding and Communication:**

Based on our previous audit experience, using the budget, organizational charts, manuals and other financial information systems and our knowledge of how governments work, we will obtain an insight to the specific concerns and sensitivities of the City. Our understanding is updated continuously through our year-round contact and communication efforts. We will agree on common audit objectives and expectations with management before audit work begins and, throughout the audit, will meet regularly with management to discuss audit issues and to gather feedback.

2. **In-Depth Review of Systems and Controls:**

We have developed diagnostic reviews which enable us to evaluate your systems and controls, and to provide management with constructive feedback. Combined with our knowledge of the City and understanding and experience with the City's accounting software, our control review will form the basis of our audit risk assessment. We will utilize the COSO approach in our evaluation of the City's internal processes to identify potential control deficiencies. In future years, we will update our understanding through similar procedures.

3. Risk-Based Customized Testing Program:

Our audit approach is tailored to governmental applications. We will use audit programs specifically designed to address the operational environment of governmental entities. Our approach will identify potential control risks and the opportunities for risk of material misstatements and fraud. We will evaluate the various risk assessments and identify the potential risks relating to the:

- Balance Sheets/ Statement of Net Position
- Statement of Revenues and Expenditures / Statement of Activities
- Presentation
- Disclosure

Our audit procedures will then be developed to address these risk areas.

4. Expanded Interim Fieldwork:

Timeliness and audit efficiency is enhanced by performing extensive interim work. Partners, managers and senior staff work with City staff to identify and resolve potential audit issues early. Accordingly, the amount of audit work to perform at year end is minimized. Because our audit staff is familiar with the operations before year-end fieldwork begins, disruption of accounting staff is minimized.

5. Smooth Transition:

Our testing program focuses on audit risks identified by our understanding of the City's operations. We will work with the accounting staff to identify the most effective ways to address our objectives. Communication between the members of the audit engagement team and City staff will be fluid and continuous.

6. Sample Size and Sampling Techniques:

Our audit approach will include sampling activities. Population size and the level of assurance to be derived from a particular test will dictate the sample size. We use sampling in our audit approach to compliment skilled judgment and knowledge of the particular situation. Our sample size will range normally from 25 to 60 items.

7. Automated Systems:

We will evaluate controls over the IT functions to assess control risk. We intend to test controls for purposes of reliance. Our review procedures will evaluate controls over:

- Security Management
- Logical and Physical Access
- Configuration Management
- Segregation of Duties
- Contingency Planning

In addition, we will review controls over:

- Input, processing, output, master data
- Application interface
- Data management system interface

Our Information Technology Specialists Group will evaluate the IT operating control environment.

8. **Analytical Procedures:**
We use analytical procedures in several aspects of our audit. Extensive knowledge and industry background are required for effective analytics, and our staff possesses the appropriate experience and knowledge for the City to benefit from these procedures.
9. **Approach to be Taken in Determining Laws and Regulations Subject to Audit Test Work:**
We continuously refer to specific regulations, compliance supplements, state guidelines and contracts currently in force. We perform the procedures required related to laws and regulations, using inquiries, observations and sampling techniques. Some of the laws and regulations that we believe may be applicable to the City are the requirements of the California Public Utilities Commission, Single Audit Act and other applicable laws and regulations, including the California Government Code, provisions of applicable Grant guidelines, California Constitution GANN Limit requirements, requirements of local measures, Child Care Program compliance requirements, etc.
10. **Report Format:**
We will meet with City Management to review report formats. Any report format changes will be made in conjunction with approval from the City's management.
11. **Work Plans:**
The detailed work plans will be designed to efficiently and effectively address the audit requirements of the City in accordance with generally accepted auditing standards, to perform the audit of the City's financial records in a timely manner with minimal disruptions to office operations, and to meet the City's timeline.
12. **Adjusting Journal Entries:**
We will discuss and explain proposed audit adjusting entries with the City's designated Finance Department personnel prior to recording. Audit adjusting entries will be provided in a format showing the lowest level of posting detail needed for data entry on the City's general ledger system.
13. **Listing of Schedules and Tables (anticipated to be prepared by the City):**
Based on preliminary inquiries made with management and City staff and review of documents, we will tailor a list of schedules, tables, and other reconciliations required for the audit. We will take into account as much as possible reconciliations already prepared by the City for day to day operations and reporting, as well as any reports that are system generated to limit the need for additional City staff hours.

The following is a listing of significant reconciliations that we would normally expect the City to provide to us in assisting us in conducting our fieldwork.

- Trial Balance
- CAFR and Account Roll Up Schedule
- Budget to Actual Reports
- Bank Reconciliations
- Listing of manually prepared journal entries posted
- Summary of Investments held by the City
- Capital Asset Schedules
- Long Term Debt Schedules
- Debt amortization schedules & Calculations of deferred amounts
- Calculations of any debt covenants amounts or percentages
- Schedule of Operating Leases
- Schedule of Expenditures of Federal Awards
- Analysis of Deferred Inflows of Resources and Deferred Outflows of Resources
- Reconciliation of Receivables to subsidiary ledgers
- Calculations for estimate of allowance for uncollectible accounts
- Loans Receivable Schedules
- Reconciliation of Significant Revenue Accounts
- Utility billing Registers and Fee schedules
- Compensated Absences and Early Retirement Obligation Schedules and Copies of Related Policies
- Claims Payable schedules
- Pension and OPEB Roll Forward & Supporting Schedules
- GASB 54 Fund Balance Roll Forward Schedule
- Interfund Transaction Schedules

14. Computer Software:

The firm maintains a variety of software packages in the audit and financial statement compilation process, which include MS Office (Word, Excel, etc.), Prosystem fx Engagement, PPC Checkpoint and Checkpoint Tools, and Single Audit SMART Tool. Our I.T. Specialist also has the ability to run reports using IDEA (data analysis software).

Our audit software enables us to link our audit trial balance to the financial statements, for efficient financial statement compilation. It also allows us to create various analytical reports easily (e.g. year to year comparisons, budget to actual comparisons, trend analysis, ratio analysis, etc.).

Our research tools are always kept up to date to ensure compliance with accounting and auditing standards, and are also a resource for us to provide guidance to our clients.

We also use Prosystem electronic portal, which allows our clients to easily upload requested audit schedules and testing selections. The portal is very helpful in the audit process as it reduces duplicated audit requests, and allows our engagement team to review uploaded schedules prior to beginning audit fieldwork.

Audit Schedule

2017 Period	Audit Tasks
	<p>Award of Contract</p> <p>Interim Audit Procedures:</p>
April	<p>- Planning and Administration</p> <ul style="list-style-type: none"> ▸ Review and obtain copies of key work papers of prior audit firm. ▸ Entrance conference with City Management to discuss audit approach, timing, assistance, and issues ▸ Review and evaluate the City's accounting and financial reporting. Prepare an overall memo of recommendations, potential issues, and suggestions for improvements. ▸ Prepare overall memo to City confirming audit procedures, timing, and assistance. ▸ Prepare detailed audit work plan and audit programs, audit budget and staffing schedule, and list of schedules to be prepared by City staff, and provide it to City Management.
May	<p>- Internal Control Evaluation</p> <ul style="list-style-type: none"> ▸ Meeting with key Finance Division personnel. ▸ Obtain and document understanding of key internal control systems through walk-throughs, interviews of staff, and review of supporting documentation: <ul style="list-style-type: none"> General ledger system. Budgeting system. Revenue, utility billing, accounts receivable, and cash collections. Purchasing, expenditures, accounts payable, and cash disbursements. Payroll. Federal Financial Assistance. Other systems. ▸ Identify control risks. ▸ Evaluate IT control environment. ▸ Perform testing of the internal control system and evaluate the effectiveness of the City's systems. Select large dollar and random samples of transactions in key operating systems. Sample size to meet required level for determined degree of risk. Review supporting documentation of selected transactions, evaluate adequacy of support and approvals, and conclude on degree of adherence to accuracy and compliance with City policies. ▸ Conduct fraud assessment procedures. ▸ Assess degree of risk for material misstatement. ▸ Provide to the City's management a memo concerning management letter points and identify issues, if any.

2017 Period	Audit Tasks
May	<p data-bbox="526 363 654 390">- Other Tasks</p> <ul style="list-style-type: none"> <li data-bbox="548 426 1149 453">▸ Review minutes of City Council meetings and other key committees. <li data-bbox="548 464 1284 537">▸ Preliminary testing, verify and validate account balances by reviewing supporting documentation including invoices, vouchers, council resolutions, minutes, and other documents, as required. <li data-bbox="548 548 1024 575">▸ Preliminary Single Audit and other compliance testing <li data-bbox="548 585 1235 898">▸ Coordinate with City staff and prepare of all appropriate confirmation requests including: <ul style="list-style-type: none"> <li data-bbox="581 632 716 659">Bank accounts. <li data-bbox="581 669 813 697">Investment pool accounts. <li data-bbox="581 707 764 735">Accounts receivable. <li data-bbox="581 745 716 772">Federal grants. <li data-bbox="581 783 919 810">Revenue from governmental agencies. <li data-bbox="581 821 776 848">Bond and other debts. <li data-bbox="581 858 704 886">Pension plan. <li data-bbox="581 896 721 924">Attorney letters. <li data-bbox="581 934 756 961">Others, as required. <li data-bbox="548 909 1114 936">▸ Provide City with audit plan and list of year end audit schedules. <li data-bbox="548 947 992 974">▸ Hold progress conference with City Management. <li data-bbox="548 984 943 1012">▸ Hold exit conference with City Management.
October	<p data-bbox="526 1020 686 1047">- Final Field work</p> <ul style="list-style-type: none"> <li data-bbox="548 1077 943 1104">▸ Entrance conference with City Management. <li data-bbox="548 1115 932 1142">▸ Follow-up on all outstanding confirmations. <li data-bbox="548 1152 1284 1226">▸ Verify and validate account balances by reviewing supporting documentation including invoices, vouchers, council resolutions, minutes, and other documents, as required. <li data-bbox="548 1236 1230 1289">▸ Perform analytical review of revenue and expenditures. Determine reason for material differences between budget and actual. <li data-bbox="548 1299 1276 1373">▸ Perform a search for unrecorded liabilities by reviewing disbursements subsequent to June 30, testing terms of contractual obligations, and interviewing City staff. <li data-bbox="548 1383 1252 1436">▸ Perform review of subsequent events by discussions with City Management and update all minutes of City Council and key committees. <p data-bbox="509 1455 756 1482">- Single Audit Compliance</p> <ul style="list-style-type: none"> <li data-bbox="548 1512 943 1539">▸ Entrance conference with City Management. <li data-bbox="548 1549 964 1577">▸ Obtain Federal Financial Assistance Schedule. <li data-bbox="548 1587 1187 1614">▸ Determine grants to be considered as major programs including clusters. <li data-bbox="548 1625 1268 1677">▸ Perform audit tests of major grant programs and compliance with Federal Law and Regulations. <li data-bbox="548 1688 1211 1740">▸ Review grant documents, select sufficient number of transactions to test for compliance of Federal Requirements. <li data-bbox="548 1751 1094 1778">▸ Coordinate Single Audit efforts with the Financial Audit efforts. <li data-bbox="548 1789 938 1816">▸ Communicate findings to City Management. <li data-bbox="548 1827 721 1854">▸ Other Compliance

Audit Schedule, Continued

2017 Period	Audit Tasks
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October - November - ***Audit Reports***

- Prepare draft of the City's financial statements
- Prepare draft of Single Audit Reports concerning internal control structure, compliance with laws and regulations, and administering of federal financial assistance programs. (if required)
- Prepare other reports as required.
- Provide drafts of reports to City Management for review.
- Provide revised final drafts of all required reports to the City for approval

December - ***Final Audit Reports, Financial Statements, and Single Audit Reports delivered***

Proposed Pricing

Fiscal Years Ending 2017 to 2019, and Optional Years

All-Inclusive Maximum Price by Report	Optional Years				
	FY2016/17	FY2017/18	FY2018/19	FY2019/20	FY2020/21
State Controller's Reports: City Annual Report of Transactions & Streets Report	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200
City Audit/CAFR	\$ 18,300	\$ 18,850	\$ 19,450	\$ 19,450	\$ 19,450
Subtotal	\$ 19,500	\$ 20,050	\$ 20,650	\$ 20,650	\$ 20,650
Optional Services:					
Single Audit (if required)	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
Total for Fiscal Year	\$ 21,500	\$ 22,050	\$ 22,650	\$ 22,650	\$ 22,650

Schedule of Professional Fees and Expenses

Support the Total All-Inclusive Price

Fiscal Years Ending 2017 to 2019, and Optional Years

	June 30, 2017				June 30, 2018				June 30, 2019 (& Optional Years)			
	Hours	Standard Hourly Rate	Quoted Hourly Rate	Quoted Total	Hours	Standard Hourly Rate	Quoted Hourly Rate	Quoted Total	Hours	Standard Hourly Rate	Quoted Hourly Rate	Quoted Total
Partners	20	\$ 200	\$ 140	\$ 2,800	17	\$ 200	\$ 155	\$ 2,635	14	\$ 200	\$ 165	\$ 2,310
Managers	30	\$ 150	\$ 90	2,700	28	\$ 150	\$ 100	2,800	24	\$ 150	\$ 110	2,640
Supervisory staff	100	\$ 125	\$ 80	8,000	90	\$ 125	\$ 90	8,100	80	\$ 125	\$ 105	8,400
Staff	120	\$ 100	\$ 65	7,800	110	\$ 100	\$ 75	8,250	100	\$ 100	\$ 90	9,000
I.T. Specialist	1	\$ 150	\$ 100	100	1	\$ 150	\$ 105	105	1	\$ 150	\$ 120	120
Clerical	4	\$ 75	\$ 25	100	4	\$ 75	\$ 40	160	4	\$ 75	\$ 45	180
Subtotal				21,500				22,050				22,650
expenses:				-				-				-
Total all-inclusive maximum				<u>\$ 21,500</u>				<u>\$ 22,050</u>				<u>\$ 22,650</u>

Discussion of Relevant Accounting Issues

Identification of Anticipated Potential Audit Problems

We do not anticipate that there will be any audit problems at the City. However, the following are some areas that we will carefully investigate and monitor during our audit procedures:

- Financial Reporting:
 - Review and evaluate that the City's Annual Financial Reports are in compliance with current reporting and disclosures requirements issued by the GASB and GFOA.
 - Review Annual Financial Reports for financial reporting conformance awards issued by CSMFO and GFOA.
 - Review and evaluate degree of compliance with the various GASBs in effect.
 - Review degree of compliance with infrastructure obligations and regulatory provisions.
- Internal Control Structure:
 - Review and evaluate the City's internal control functions and ascertain compliance with proper internal control philosophies.
 - Review computer system processes and controls and evaluate adequacy of the control environment.

Several new GASB pronouncements will become effective over the time period of this proposal. As such, specific attention will be provided to determine the proper implementation of these new pronouncements. A list of known new pronouncements with implementation dates that fall within this proposal period are as follows:

2017

- Statement 74 – Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans
- Statement 77 – Tax Abatement Disclosures
- Statement 78 – Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans
- Statement 80 – Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14
- Statement 82 - Pension Issues, an amendment of GASB Statements No. 67, No. 68, and No. 73

2018

- Statement 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pension
- Statement 81 – Irrevocable Split-Interest Agreements

2019

- Statement 83 – Certain Asset Retirement Obligations

2020

- Statement 84 – Fiduciary Activities

Conclusion

A client relationship with the City will be of great value to our Firm and we welcome the opportunity to develop a long-term relationship with the City. We are committed to:

- Rendering the highest standard of service.
- Developing a long-term working relationship dedicated to meeting the needs of the City.
- Assisting the City in operational issues.
- Producing a quality end-product.

We have the technical qualifications and experience to provide the level of service desired and expected by the City and stand ready to provide our knowledge and experience for the benefit of your organization.

We would like to express our appreciation to the City and to its Staff for allowing us the opportunity to submit a proposal to perform professional auditing services. We are available, at your convenience, to discuss any aspects of our proposal.

Thank you for allowing us to present our Firm to you.

Appendix A

References

- 1) City of San Mateo
 - Scope of Work: Comprehensive Annual Financial Report, Gann Limit, SAS114, Measure A (San Mateo County), Due Diligence Reviews for the RDA Successor Agency
 - Contract Amount: \$60,000
 - Engagement Partner: Ahmed Badawi
 - Manager: Mitesh Desai
 - Project Start Date: July 2016
 - Project End Date: November 2016
 - Address: 330 W 20th Avenue, San Mateo, CA 94403
 - Principal Contact:
Mr. Drew Corbett
Director of Finance
Phone: (650)522-7102
dcorbett@cityofsanmateo.org

- 2) City of Newark
 - Scope of Work: Comprehensive Annual Financial Report, Single Audit, Gann Limit, SAS114, Utility Users Tax, Vehicle Registration Fee Audit (Alameda County), Measure B (Alameda County), Transportation Development Act, Newark Betterment Corporation Audit, Newark Betterment Corporation 990 Tax Return, Due Diligence Reviews for the RDA Successor Agency
 - Contract Amount: \$55,000
 - Engagement Partner: Ahmed Badawi
 - Manager: Mitesh Desai
 - Project Start Date: June 2016
 - Project End Date: December 2016
 - Address: 37101 Newark Blvd, Newark, CA 94560
 - Principal Contact:
Mrs. Susie Woodstock
Director of Administrative Services
Phone: (510)578-4804
Fax: (510)578-4358
susie.woodstock@newark.org

- 3) City of East Palo Alto
 - Scope of Work: Comprehensive Annual Financial Report, Single Audit, Gann Limit, SAS114, Measure C, Measure A Report (San Mateo County),
 - Contract Amount: \$60,000
 - Engagement Partner: Ahmed Badawi
 - Manager: Monica Singhai
 - Project Start Date: July 2016
 - Project End Date: December 2016
 - Address: 2415 University Avenue, East Palo Alto, CA 94303
 - Principal Contact:
Mrs. Brenda Olwin
Finance Director
Phone: (650) 853-3122
bolwin@cityofepa.org

- 4) City of Barstow
 - Scope of Work: Comprehensive Annual Financial Report, Single Audit, Gann Limit, SAS 114, Barstow Fire Protection District, Odessa Water District
 - Contract Amount: \$71,152
 - Engagement Partner: Ahmed Badawi
 - Manager: Mitesh Desai
 - Project Start Date: April 2016
 - Project End Date: December 2016
 - Address: 220 E. Mountain View Street, Ste. A, Barstow, CA 92311
 - Principal Contact:
Mrs. Cindy Prothro
Finance Director
Phone: (760)255-5115
cprothro@barstowca.org
- 5) City of Buena Park
 - Scope of Work: Comprehensive Annual Financial Report, Single Audit, Gann Limit, SAS 114, Buena Park Foundation
 - Contract Amount: \$30,735
 - Engagement Partner: Ahmed Badawi
 - Manager: Mitesh Desai
 - Project Start Date: July 2016
 - Project End Date: December 2016
 - Address: 6650 Beach Boulevard, 1st Floor, Buena Park, CA 90622
 - Principal Contact:
Mr. Sung Hyun
Finance Director
Phone: (714)562-3713
shyun@buenapark.com
- 6) City of Berkeley
 - Scope of Work: Comprehensive Annual Financial Report, Gann Limit, SAS114, Measure B (Alameda County), Vehicle Registration Fee Audit (Alameda County), Due Diligence Reviews for the RDA Successor Agency
 - Contract Amount: \$188,000
 - Engagement Partner: Ahmed Badawi
 - Manager: Mitesh Desai
 - Project Start Date: June 2016
 - Project End Date: January 2017
 - Principal Contact:
Mr. Henry Oyekanmi
Finance Director
(510)981-7300
hoyekanmi@ci.berkeley.ca.us



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
4/24/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Dealey, Renton & Associates DRA License 0020739 P. O. Box 12675 Oakland CA 94604-2675	CONTACT NAME: PHONE (A/C, No., Ext): 510-465-3090 FAX (A/C, No.): 510-452-2193 E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE	
INSURED BADAWASSO Badawi & Associates 180 Grand Ave #1500 Oakland CA 94612	INSURER A: Travelers Casualty Ins. Co. of Amer NAIC # 19046	
	INSURER B: Travelers Property Casualty Co of A 25674	
	INSURER C: Great Divide Insurance Company	
	INSURER D:	
	INSURER E:	

COVERAGES **CERTIFICATE NUMBER: 563767552** **REVISION NUMBER:**


THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:	Y	Y	6804B729514	3/19/2017	3/19/2018	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$300,000 MED EXP (Any one person) \$5,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000 \$
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	Y	Y	BA9G289010	3/19/2017	3/19/2018	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$			CUP1C28629A	3/19/2017	3/19/2018	EACH OCCURRENCE \$1,000,000 AGGREGATE \$1,000,000 \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	UB4558T374	3/19/2017	3/19/2018	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000
C	Accountants Professional Liab			CAB20150803	3/19/2017	3/19/2018	\$1,000,000 each claim \$2,000,000 Aggregate \$10,000 Ded. Claims Made

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

General Liab. excludes claims arising out of the performance of professional services.
Re: All operations of the named insured - City of Sebastopol is named as additional insureds as respects general and auto liability for claims arising from the operations of the named insured as required per written contract or agreement. Insurance coverage includes waiver of subrogation per the attached endorsement(s).

CERTIFICATE HOLDER **CANCELLATION 30 Days notice/10 Days nonpay**

City of Sebastopol 7120 Bodega Ave. Sebastopol CA 95472	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS

This endorsement modifies insurance provided under the following:
COMMERCIAL GENERAL LIABILITY COVERAGE PART

PROVISIONS:

- 1. WHO IS AN INSURED (SECTION II) is amended to include as an insured any person or organization (called hereafter "additional insured") whom you have agreed in a written contract, executed prior to loss, to name as additional insured, but only with respect to liability arising out of "your work" or your ongoing operations for that additional insured performed by you or for you.
- 2. With respect to the insurance afforded to Additional Insureds the following conditions apply:
 - a. Limits of Insurance – The following limits of liability apply:
 - 1. The limits which you agreed to provide; or
 - 2. The limits shown on the declarations, whichever is less.
 - b. This insurance is excess over any valid and collectible insurance unless you have agreed in a written contract for this insurance to apply on a primary or contributory basis.
- 3. This insurance does not apply:
 - a. on any basis to any person or organization for whom you have purchased an Owners and Contractors Protective policy.
 - b. to "bodily injury," "property damage," "personal injury," or "advertising injury" arising out of the rendering of or the failure to render any professional services by or for you, including:
 - 1. The preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; and
 - 2. Supervisory, inspection or engineering services.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
OTHER INSURANCE – ADDITIONAL INSUREDS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

PROVISIONS

COMMERCIAL GENERAL LIABILITY CONDITIONS (Section IV), Paragraph 4. (**Other Insurance**), is amended as follows:

1. The following is added to Paragraph a. **Primary Insurance**:

However, if you specifically agree in a written contract or written agreement that the insurance provided to an additional insured under this Coverage Part must apply on a primary basis, or a primary and non-contributory basis, this insurance is primary to other insurance that is available to such additional insured which covers such additional insured as a named insured, and we will not share with that other insurance, provided that:

- a. The "bodily injury" or "property damage" for which coverage is sought occurs; and

- b. The "personal injury" or "advertising injury" for which coverage is sought arises out of an offense committed

subsequent to the signing and execution of that contract or agreement by you.

2. The first Subparagraph (2) of Paragraph b. **Excess Insurance** regarding any other primary insurance available to you is deleted.
3. The following is added to Paragraph b. **Excess Insurance**, as an additional subparagraph under Subparagraph (1):

That is available to the insured when the insured is added as an additional insured under any other policy, including any umbrella or excess policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED INSURED


This endorsement modifies insurance provided under the following:

- BUSINESS AUTO COVERAGE FORM
- GARAGE COVERAGE FORM
- MOTOR CARRIER COVERAGE FORM
- TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by this endorsement.

This endorsement identifies person(s) or organization(s) who are "insureds" under the Who Is An Insured Provision of the Coverage Form. This endorsement does not alter coverage provided in the Coverage Form.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement Effective: 3/19/2017	Countersigned By:
Named Insured: Badawi & Associates	 (Authorized Representative)

SCHEDULE

Name of Person(s) or Organization(s): Re: All operations of the named insured - City of Sebastopol

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to the endorsement.)

Each person or organization shown in the Schedule is an "insured" for Liability Coverage, but only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured Provision contained in Section II of the Coverage Form.



**WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY**

ENDORSEMENT WC 99 03 76(00) — 001

POLICY NUMBER: UB4558T374

**WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS
ENDORSEMENT CALIFORNIA
(BLANKET WAIVER)**

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule.

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be 3.00 % of the California workers' compensation premium otherwise due on such remuneration.

Schedule

Person or Organization

Job Description

City of Sebastopol
7120 Bodega Ave.
Sebastopol CA 95472

Re: All operations of the named insured -
City of Sebastopol

DATE OF ISSUE: 4/24/2017

ST ASSIGN: CA

017106



August 29, 2021

Ms. Ana Kwong
 Finance Director
 City of Sebastopol
 7120 Bodega Ave
 Sebastopol, CA 95472

Dear Ms. Kwong,

I would like to take this opportunity to thank you and your staff for the confidence and support you have provided to us over the past several years. I would also like to take this opportunity to present this letter for your consideration regarding extending the Badawi & Associates audit contract with the City of Sebastopol.

Over the past years, we have developed an understanding of the City's operation that has aided us in providing quality audit services. With that knowledge, we've been able to expand our audit efforts and provide observations that, hopefully, have assisted City staff. We have also demonstrated our ability to respond to requests of the City and our ability to deliver a quality product. We trust the City has been satisfied with our efforts.

Per your request, we are pleased to present this proposal to provide audit services to the City for the years ended June 30, 2022, 2023 and 2024. The objective of our audit is to issue an opinion regarding the fairness of presentation of the City's financial position for the fiscal year in accordance with generally accepted accounting principles. The audit to be performed will follow generally accepted auditing standards, U.S. General Accounting Office's Government Auditing Standards, Single Audit Act and the Federal Uniform Guidance.

Our fees for the years 2021, 2023 and 2024 will be as follows:

Service	FY 2022	FY 2023	FY 2024
City Audit/ACFR	\$ 20,035	\$ 20,635	\$ 21,255
State Controller's Reports: City Annual Report of Transactions & Streets Report	1,235	1,275	1,310
Single Audit (if required)	2,060	2,120	2,185
Total	\$ 23,330	\$ 24,030	\$ 24,750

Ms. Ana Kwong
Finance Director
City of Sebastopol

The service we will provide will follow the guideline as outline in the original proposal to the City. We would very much like to continue our relationship with the City and stand ready to provide the level of service and commitment for which the City has become accustomed.

If you have any questions, please feel free to call me at (510)-768-8244.

Sincerely,



Ahmed Badawi
Partner
Badawi & Associates, CPAs

RESPONSE:

This letter correctly sets forth the understanding of the City of Sebastopol.

By: _____

Title: _____

Date: _____