

CITY OF SEBASTOPOL CITY COUNCIL
 AGENDA ITEM REPORT FOR MEETING OF: March 4, 2025

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To: Honorable Mayor and City Councilmembers
From: Ana Kwong – Administrative Services Director
Subject: Approve contract with Badawi & Associates for Professional Auditing Services at a cost of \$52,745 for the first year, with a 3% escalation for the next 2 years with an option to extend and request for a budget adjustment of \$27,745

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RECOMMENDATIONS:

This item is to request that the City Council Approve contract with Badawi & Associates for professional auditing services, and authorize the City Manager to execute a contract with Badawi & Associates for audit service for fiscal year 24-25 through 26-27, with possible extension of up to two additional years and and request for a budget adjustment of \$27,745

EXECUTIVE SUMMARY:

The City requires audit services of the financial statements for fiscal year 2024-25 (FY 25), and the Administrative Services (Finance) Department recommends the retention of Badawi and Associates, CPAs (Badawi) due to difficult of receiving audit proposals from other firms. The proposed cost for a three year period with 2 subsequent year as optional will be as follows:

All-Inclusive Maximum Price by Report	FY	FY	FY	Optional Year		
	2024-25 Hours	2024-25	2025-26	2026-27	2027-28	2028-29
Financial Statements Audit	317	\$43,925	\$45,243	\$46,600	\$47,998	\$49,438
Single Audit (if required)	20	2,750	2,833	2,918	3,006	3,096
Gann Limit Agreed-upon Procedures	9	1,200	1,236	1,273	1,311	1,350
City State Controller's Report	20	2,750	2,833	2,918	3,006	3,096
Streets Report	15	2,120	2,184	2,250	2,318	2,388
Total	381	\$52,745	\$54,329	\$55,959	\$57,639	\$59,368

BACKGROUND AND DISCUSSION:

The City of Sebastopol is legally required by the Government Accounting Standards Board (GASB) to issue annual financial reports that are audited by an external audit firm. In April 2017, Badawi and Associates was selected as the City’s external auditor through a Request for Proposals (RFP) process. The City entered into a contract with Badawi and Associates on April 4, 2017, for a duration of three years, with an option to extend for an additional two years. The City exercised this option, extending the contract until June 30, 2021. In 2021, further extended contract until 2024 due to lack of capacity for new RFP. The Government Finance Officers Association (GFOA) has long recommended that local governmental entities enter into multiyear agreements of at least five years when obtaining the services of independent auditors as a best practice and also recommending changing auditor periodically.

The most recent engagement with Badawi & Associates expired on June 30, 2024. On August 15, 2024, the City of Sebastopol issued a request for proposals (RFP) for a new auditor. This first RFP resulted in no proposals from firms other than the incumbent. We issued a second RFP on October 7, 2024, and reached out to smaller audit firms, urging them to submit proposals. These firms cited capacity issues as the reason for not submitting proposals. After discussing the current dilemma with the incumbent audit firm, staff recommends continuing with the same firm

with a change in the lead partner. While it will still be the same firm, the transition process will be minimal, yet it will provide a fresh look at topic subject to audit.

STAFF ANALYSIS:

The Administrative Services (Finance) Department recommends the retention of Badawi and Associates, CPAs (Badawi) as the firm is recognized as expert in governmental auditing and financial reporting, and will assist the City and staff in evaluating reporting requirements and practices. The staff will be tasked with continually implementing new Government Accounting Standards Board’s requirement and that task will require significant additional training, accounting and audit efforts and Badawi & Associates proposal also includes making their in-house training available to all of their clients.

Since having Badawi as the City's independent auditor, the quality of annual reporting has been consistent. The City has also received certificates of excellence in financial reporting from the Government Finance Officers Association (GFOA), which recognizes local governments that effectively communicate financial results to the public.

By having the same audit firm, 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.

In summary, the staff considers Badawi & Associates to be the best available auditor for the City of Sebastopol.

COMMUNITY OUTREACH:

This item has been 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:

The proposed service cost for up to three year period with 2 subsequent year as optional will be as follows:

All-Inclusive Maximum Price by Report	FY	FY	FY	FY	Optional Year	
	2024-25 Hours				2024-25	2025-26
Financial Statements Audit	317	\$43,925	\$45,243	\$46,600	\$47,998	\$49,438
Single Audit (if required)	20	2,750	2,833	2,918	3,006	3,096
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Total	381	\$52,745	\$54,329	\$55,959	\$57,639	\$59,368

The FY24-25 adopted budget for audit services was \$25,000 based on actual expenses for recent audits and proposed for a budget adjustment for \$27,745 for a total contract of \$52,745. After completing two RFP processes, it is now evident that the actual cost is significantly higher compared to the rates we secured eight years ago.

OPTIONS:

No other options are available.

ATTACHMENTS:

Badawi and Associates Proposal
Budget Amendment Resolution

APPROVALS:

Department Head Approval: Approval Date: 2/6/25

CEQA Determination (Planning): Approval Date: 2/6/25

The proposed action is not a project under the California Environmental Quality Act (CEQA)

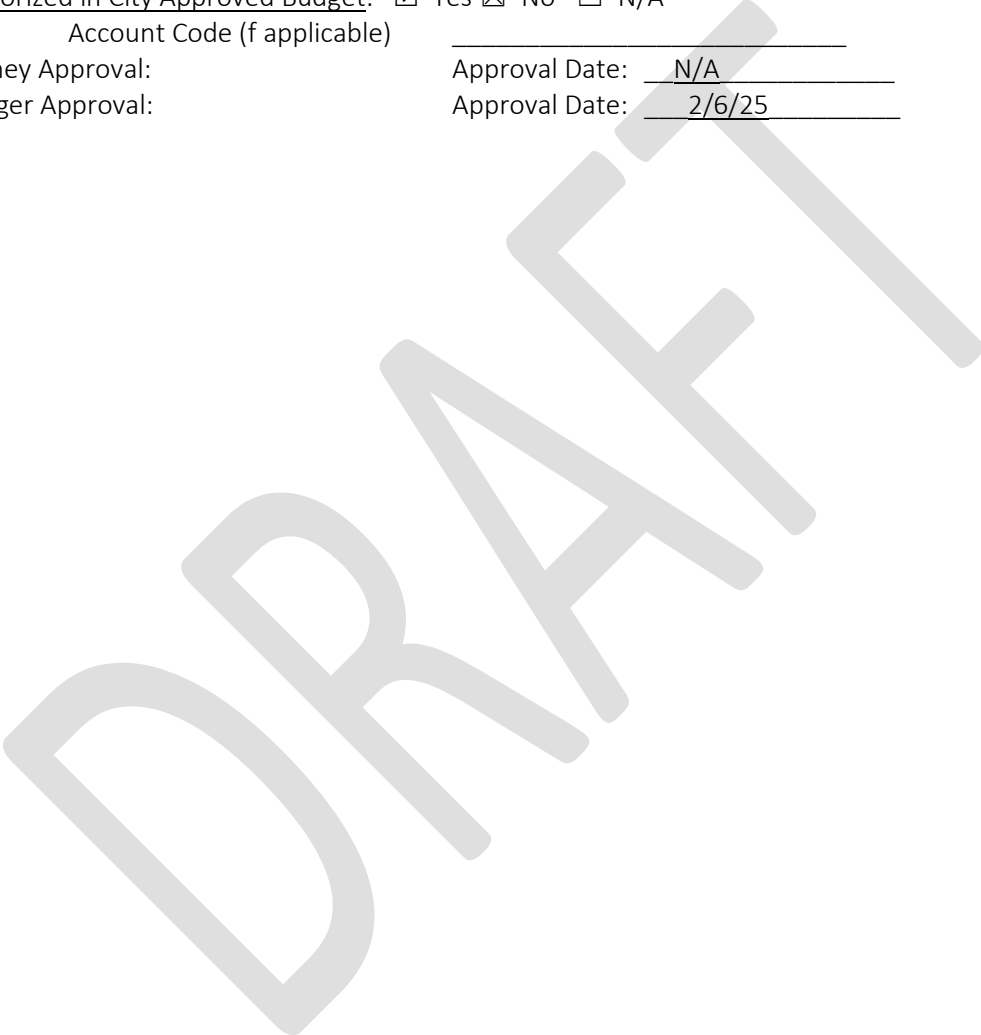
Administrative Services (Financial) Approval Date: 2/6/25

Costs authorized in City Approved Budget: Yes No N/A

Account Code (f applicable) _____

City Attorney Approval: Approval Date: N/A

City Manager Approval: Approval Date: 2/6/25



RESOLUTION NUMBER: XXXX-2025

CITY OF SEBASTOPOL

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEBASTOPOL AUTHORIZING A BUDGET AMENDMENT FOR THE PROFESSIONAL AUDITING SERVICES WITH BADAWI AND ASSOCIATES

WHEREAS, the City of Sebastopol is legally required by the Government Accounting Standards Board (GASB) to issue annual financial reports that are audited by an external audit firm; and

WHEREAS, the Administrative Services (Finance) Department recommends the retention of Badawi and Associates, CPAs (Badawi) due to difficult of receiving audit proposals from other firms; and

WHEREAS, in April 2017, Badawi and Associates was selected as the City's external auditor through a Request for Proposals (RFP) process. The City entered into a contract with Badawi and Associates on April 4, 2017, for a duration of three years, with an option to extend for an additional two years. The City exercised this option, extending the contract until June 30, 2021; and

WHEREAS, in 2021, further extended contract until 2024 due to lack of capacity for new RFP; and

WHEREAS, on August 15, 2024, the City of Sebastopol issued a request for proposals (RFP) for for a new auditor; and

WHEREAS, the City issued a second RFP on October 7, 2024, and reached out to smaller audit firms, urging them to submit proposals. These firms cited capacity issues as the reason for not submitting proposals; and

WHEREAS, due to difficulty of receiving audit proposals from other firms, the Administrative Services (Finance) Department recommends the retention of Badawi and Associates, CPAs (Badawi) as the firm is recognized as expert in governmental auditing and financial reporting, and will assist the City and staff in evaluating reporting requirements and practices; and

WHEREAS, he FY24-25 adopted budget for audit services was \$25,000 based on actual expenses for recent audits and proposed for a budget adjustment for \$27,745 for a total contract of \$52,745. After completing two RFP processes, it is now evident that the actual cost is significantly higher compared to the rates we secured eight years ago.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Sebastopol does hereby approve a budget amendment of \$27,745 identified in the account listed 100-14-01-4220.

The above and foregoing Resolution was duly passed, approved, and adopted at a meeting by the City Council on the 4th day of March, 2025, by the following vote:

I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by the City of Sebastopol City Council by the following vote:

VOTE:

Ayes:

Noes:

Absent:

Abstain:

APPROVED:

Stephen Zollman, Mayor

ATTEST:

Mary Gourley, Assistant City Manager/City Clerk, MMC

APPROVED AS TO FORM:

Alex Mog, City Attorney

DRAFT

City of Sebastopol

TECHNICAL PROPOSAL

For Professional Auditing Services for the City of Sebastopol

For fiscal years ending June 30, 2025 through 2027,
with the option of extending the contract for each of
the two (2) subsequent fiscal years.

September 16, 2024

Contact Person:

Ahmed Badawi, CPA
Badawi & Associates
Certified Public Accountants
2855 Telegraph Avenue, Suite 312
Berkeley, CA 94705
Phone: (510) 768-8244
Fax: (510) 768-8249
E-mail: abadawi@b-acpa.com



City of Sebastopol

Table of Contents

	<u>Page</u>
Letter of Transmittal	1
Firm Qualifications and Experience.....	3
Independence	3
Insurance	3
License to Practice in California.....	3
Conflict of Interest	3
Firm Qualifications	3
Technical Approach	4
Firm Experience	5
Additional Activities	5
Client Training Seminar	6
GASB 68 Firm Developed Tools and Assistance	6
Flowcharting Documentation	6
Quality Control Review	6
Federal or State Desk Reviews	9
Disciplinary Action.....	9
Litigations	9
Partner, Supervisory, and Staff Qualifications and Experiences	10
Similar Engagements with Other Governmental Entities	18
Understanding of Services to be Provided	23
Specific Audit Approach	24
Objectives of Our Services	24
Audit Approach	24
Technical Approach	25
Use of Technology in the Audit.....	28
Audit Schedule.....	30
Discussion of Relevant Accounting Issues	33
Comprehensive Cost Bid	34
Conclusion.....	36
Appendix.....	37
References.....	37
Exceptions to the Contract.....	38

September 16, 2024

Ms. Ana Kwong
Administrative Services 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, 2025 through 2027, with the option of extending the contract for each of the two (2) subsequent fiscal 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 Government Accountability 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:

- Single Audit (if required)
- Gann Limit Agreed-upon Procedures
- State Controller's Report
- Streets Report

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:

Ahmed Badawi, CPA
Badawi & Associates
Certified Public Accountants
2855 Telegraph Avenue, Suite 312
Berkeley, CA 94705
Telephone: (510)768-8244
E-mail: abadawi@b-acpa.com

Ms. Ana Kwong
Administrative Services Director
City of Sebastopol
Page 2

We are committed to performing the required work, completing the audit, and issuing the necessary auditors' reports.

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 City 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

Firm Qualifications and Experience

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 the City's independent auditor, the Firm and our insurance provider will provide a certificate of insurance to the 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 the 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.

Conflict of Interest

The Firm has no conflicts of interest in connection with providing the services described in this proposal. The Firm does not have any financial, business, or other professional relationships with the City or any member of City staff.

Firm Qualifications

Badawi & Associates was founded by Mr. Ahmed Badawi. Mr. Badawi has over 25 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 Berkeley, CA, the Firm serves a variety of cities and towns 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 Berkeley 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.

The Engagement Partner assigned to the City will be Mr. Ahmed Badawi. Mr. Badawi has over 25 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:

1) **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.

2) **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 Annual Comprehensive Financial Report.**

3) **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.

4) **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 Berkeley 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 Berkeley 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 the Bay Area.

GASB 68 Firm Developed Tools and Assistance

The Firm has developed tools to assist our clients with preparation of GASB 68 journal entries for the CalPERS' Cost Sharing Plans (for which individualized actuarial valuations are no longer prepared) and the CalPERS' Agent Multiple Employer Plans. 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 the GASB 68 journal entries.

Flowcharting Documentation

As part of our risk assessment procedures, we prepare flowcharts for documenting our understanding of the City's significant accounting and financial processes. Flowcharts are updated annually for any changes in the City's processes and copies can be provided upon request for the City's internal use. Flowcharted processes may include:

- Financial Reporting, Closing, and Manual Journal Entries
- Cash Receipts, Billing, and Accounts Receivable/Revenues
- Cash Disbursements, Purchasing, and Accounts Payable/Expenditures
- Payroll and Human Resources

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.



Report on the Firm's System of Quality Control

Badawi & Associates

Berkeley, 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 28, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

Firm's Responsibility

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

Peer Reviewer's Responsibility

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

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act.

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

CPAs ■ Advisors

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CPAmerica
Member  Crowe Global

Peer Review Report
Page 2 of 2

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Badawi & Associates in effect for the year ended February 28, 2022, 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*.

GYL LLP

Ontario, California
June 14, 2022



The Firm has 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 the Firm 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

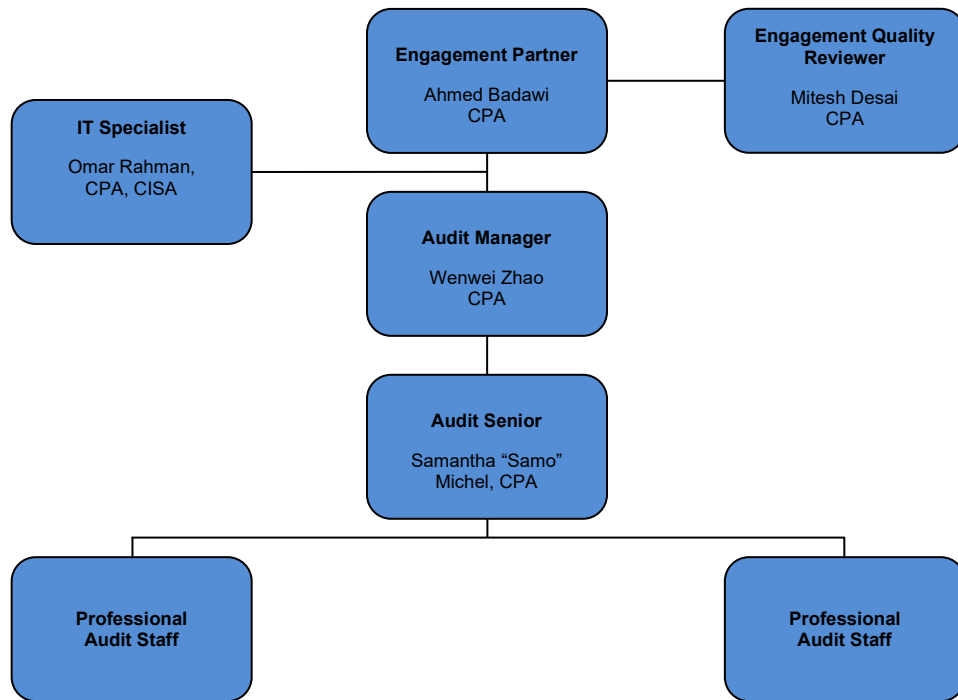
There has not been any state or federal disciplinary actions taken or pending against the Firm nor any findings to report.

Litigations

The Firm 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 seven 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-five years of municipal auditing 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 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.

The second member of the Engagement Team will be Wenwei Zhao, CPA. Ms. Zhao’s background includes eight years of accounting and auditing experience. She has participated in the audits of numerous governmental entities and assisted in their efforts to publish their financial statements in compliance with various regulations, and is a volunteer member of the GFOA Special Review Committee. Ms. Zhao will be the Audit Manager of this engagement.

The third member of the Engagement Team will be Samantha “Samo” Michel. CPA. Ms. Michel’s background includes six years of accounting and auditing experience. She has participated in the audits of numerous governmental entities and assisted in their efforts to publish their financial statements in compliance with various regulations. Ms. Michel will be the Audit Senior of this engagement.

The fourth member of the Engagement Team will be Omar Rahman, CPA, CISA. Mr. Rahman has over 10 years of experience in the field of Information Technology (IT) audit and risk management at the senior and executive management level. He has worked extensively with government agencies, private organizations, and public companies, providing external and internal audit services in support of financial statement audits. Mr. Rahman will serve as the I.T. Specialist of this engagement.

The fifth member of the Engagement Team will be Mitesh Desai, CPA. Mr. Desai's background includes seventeen years of experience in municipal auditing. Mr. Desai has participated in the audits of numerous governmental agencies, assisted in their efforts to publish their Annual Comprehensive Financial Reports in compliance with GASB 34, and a volunteer member of the GFOA Special Review Committee. Mr. Desai is responsible for conducting in-house trainings for staff auditors and is credentialed with the Advanced Single Audit Certificate offered by the AICPA. He will serve as the Engagement Quality Reviewer.

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 Engagement 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. 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

- Over twenty-five years of 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/Towns:						
Cotati	x				x	x
Healdsburg	x	x	x		x	x
Petaluma	x	x	x		x	x
Larkspur	x	x			x	x
Sausalito	x				x	x
Antioch	x	x	x	x	x	x
Atwater	x	x	x			x
Berkeley	x	x	x		x	x
Chino	x	x			x	x
Crescent City	x	x	x		x	x
Dinuba	x	x	x		x	x
Dublin	x	x				x
Folsom	x	x	x		x	x
Foster City	x	x	x		x	x
Guadalupe	x	x	x		x	x
Lafayette	x		x		x	x
Lathrop	x	x			x	x
Millbrae	x	x	x		x	x
Oakdale	x	x	x		x	x
Ontario	x	x	x		x	x
Richmond	x	x	x		x	x
San Bruno	x	x			x	x
San Carlos	x	x	x		x	x
San Luis Obispo	x	x				x
Scotts Valley	x		x		x	x
Counties:						
Santa Cruz County	x	x	x	x	x	x
Contra Costa County	x	x	x	x	x	x
Special Districts and Other:						
County of Contra Costa Community Services Bureau Child Development Program	x					x
Sacramento Employment and Training Agency	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 Annual Comprehensive Financial Reports

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, 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

Continuing Education

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

Wenwei Zhao, Certified Public Accountant – Professional Audit Manager

Length of Career

- Eight years of experience in auditing
- Certified Public Accountant for the State of California

Professional Experience

- Has performed numerous 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/Towns:						
Larkspur	x	x			x	x
Antioch	x	x	x	x	x	x
Berkeley	x	x	x		x	x
Crescent City	x	x	x		x	x
Folsom	x	x	x		x	x
Lafayette	x		x		x	x
Millbrae	x	x	x		x	x
Oakdale	x	x	x		x	x
Pomona	x	x	x		x	x
Richmond	x	x	x		x	x
San Luis Obispo	x	x				x
Union City	x	x	x		x	x
Waterford	x		x		x	x
Yuba City	x	x	x		x	x
Albany	x					
East Palo Alto	x	x			x	x
El Cerrito	x	x	x	x		
Los Gatos	x					
Menlo Park	x	x	x		x	x
Newark	x	x	x			x
Special Districts:						
Cosumnes Community Services District	x					x
County of Contra Costa Community Services Bureau Child Development Program	x					x
Hayward Area Recreation and Park District	x	x				
Marin Municipal Water District	x					x
Resource Conservation District of Santa Cruz County	x					
Sacramento Employment and Training Agency	x	x				
San Gabriel Valley Council of Governments	x					x
San Mateo Mosquito and Vector Control District	x					
Santa Cruz Regional 9-1-1	x					

Education

- Master of Accounting from University of Pittsburgh, PA

Professional Activities

- 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

Samantha “Samo” Michel, Certified Public Accountant – Professional Assurance Senior

Length of Career

- Six years of experience in municipal auditing
- Three seasons of experience in personal tax preparation
- Certified Public Accountant for the State of California

Professional Experience

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

	Services Provided					
	Financial Audit	Single Audit	RDA Audit	PFA Audit	Enterprise Fund	Other
Cities/Towns:						
Sausalito	x				x	x
Antioch	x	x	x	x	x	x
Berkeley	x	x	x		x	x
Crescent City	x	x	x		x	x
Folsom	x	x	x		x	x
Guadalupe	x	x	x		x	x
Lathrop	x	x			x	x
Millbrae	x	x	x		x	x
San Bruno	x	x			x	x
San Carlos	x	x	x		x	x
San Luis Obispo	x	x				x
Union City	x	x	x		x	x
Waterford	x		x		x	x
Yuba City	x	x	x		x	x
Barstow	x					
Buena Park	x	x			x	x
East Palo Alto	x	x			x	x
El Cerrito	x	x	x	x		
Los Gatos	x					
Menlo Park	x	x	x		x	x
Counties:						
Contra Costa County						x
Special Districts and Other:						
Alameda County Waste Management Authority (StopWaste)	x					
Central County Fire Department	x					x
Florin Resource Conservation District/Elk Grove Water District	x				x	
Hayward Area Recreation and Park District	x	x				
Port of San Luis Harbor	x					
Sacramento Employment and Training Agency	x	x				

Education

- BS, University of Washington, Seattle, WA
- Accounting, Foothill College, Los Altos Hills, CA

Professional Activities

- Member, California Society of Certified Public Accountants
- Member, Forensic Services Section, California Society of Certified Public Accountants

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

**Omar Rahman, Certified Public Accountant, Certified Information System Auditor
– Information Technology Specialist**Length of Career

- Over ten years of experience auditing information technology (IT) processes and controls
- Certified Public Accountant for the State of California
- Certified Information System Auditor

Areas of Expertise

- IT risk consulting and audit services for governmental entities, private/public companies, nonprofits, and professional service organizations
- External and internal IT audit services in support of financial statement audits
- Technical guidance/support on IT risks and controls in relation to SOX 404a and SOX 404b compliance, NIST 800-53/171a, Cyber Security Framework, HIPAA Technical Safeguards, CCPA/GDPR compliance, COBIT 2019 Framework
- Managed entire life cycle of IT internal and external audit engagements from planning research, audit program development, fieldwork and reporting
- Assess risks related to IT processes/assets and corresponding applications/tools
- IT control testing over business automated controls, general IT controls, and cyber security controls as well as IT substantive testing over information systems.

Presentations

- November 2017 - Institute of Internal Auditors - General IT Controls for Internal Audit
- December 2018 - Institute of Internal Auditors - SDLC Process and Audit/Risk Considerations
- February 2019 - IT Audit for Business Process Professionals
- May 2019 - IT Internal Audit Emerging Technologies: Data Analytics
- September 2019 - Information Systems Audit and Control Association

Education

- B.S. Degree in Economics, University of California, Los Angeles, CA.

Professional Activities

- Certified Public Accountant - California
- Certified Public Accountant - Ohio
- Certified Information System Auditor

Mitesh Desai, Certified Public Accountant – Engagement Quality Reviewer

Length of Career

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

Professional Experience

- Has performed numerous 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/Towns:						
Antioch	x	x	x	x	x	x
Azusa	x	x	x		x	x
Berkeley	x	x	x		x	x
Crescent City	x	x	x		x	x
Dublin	x	x				x
Foster City	x	x	x		x	x
Lemon Grove	x	x	x			x
Millbrae	x	x	x		x	x
Oakdale	x	x	x		x	x
Solvang	x					x
Union City	x	x	x		x	x
Waterford	x		x		x	x
Yuba City	x	x	x		x	x
Albany	x					
Buena Park	x	x			x	x
Calimesa	x		x			x
East Palo Alto	x	x			x	x
El Cerrito	x	x	x	x		
Fremont	x	x	x		x	x
Lindsay	x				x	x
Menlo Park	x	x	x		x	x
Newark	x	x	x			x
Pittsburg	x	x	x		x	x
Placerville	x	x			x	x
Counties:						
Contra Costa	x	x	x	x	x	
Santa Cruz	x	x	x	x	x	
Special Districts and Other:						
County of Contra Costa Community Services Bureau Child Development Program	x					x
Marin Municipal Water District	x					x
West County Wastewater District	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

Similar Engagements with Other Governmental Entities

The tables below and on the following page are 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 (in order of audit hours).

* 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	Annual Comprehensive Financial Report	GFOA Award	RDA/Successor Agency	Single Audit	TDA	Water Fund	Sewer Fund	SCO Report	Housing Authority	Enterprise Funds	Pension Trust Fund
** Richmond	2020	2,338	Ahmed Badawi	Andrea Miller Finance Director (510) 412-2077 Andrea_Miller@ci.richmond.ca.us	X		X	X	X		X	X	X	X	X
** Berkeley	2008	1,505	Mitesh Desai	Henry Oyekanmi Finance Director (510) 981-7300 hoyekanmi@ci.berkeley.ca.us	X	X	X	X	X		X			X	X
** Ontario	2021	1,012	Ahmed Badawi	Doreen Nunes Assistant Director of Finance (909) 395-2000 dnunes@ontarioca.gov	X	X	X	X		X	X	X	X	X	
San Carlos	2023	865	Ahmed Badawi	Rebecca Mendenhall Administrative Services Director (650) 802-4213 rmendenhall@cityofsancarlos.org	X	X	X	X	X		X	X		X	
* Union City	2006	850	Mitesh Desai	Jackie Acosta Finance Director (510) 675-5345 jackiea@unioncity.org	X	X	X	X	X			X		X	
** Folsom	2019	786	Ahmed Badawi	Stacey Tamagni Finance Director (916) 461-6712 stamagni@folsom.ca.us	X	X	X	X		X	X			X	
** Pomona	2023	756	Ahmed Badawi	Andrew Mowbray Finance Director/City Treasurer (909) 620-2353 Andrew.mowbray@pomona.gov	X	X	X	X		X	X	X		X	
* Petaluma	2019	691	Ahmed Badawi	Corey Garberolio Assistant Finance Director (707) 778-4357 cgarberolio@cityofpetaluma.org	X	X	X	X	X	X	X	X		X	
La Verne	2023	691	Ahmed Badawi	Christy Lopez Finance Director (909) 596-8752 clopez@cityoflaverne.org	X		X			X	X	X		X	
* San Luis Obispo	2019	638	Ahmed Badawi	Emily Jackson Finance Director (805) 781-7125 ejackson@slcity.org	X	X		X	X	X	X				

City	Client Since	Hours	Engagement Partner	Principal Contact	Annual Comprehensive Financial Report	GFOA Award	RDA/Successor Agency	Single Audit	TDA	Water Fund	Sewer Fund	SCO Report	Housing Authority	Enterprise Funds	Pension Trust Fund
Chino	2023	621	Ahmed Badawi	Sue Suriati Fiscal Services Manager (909) 334-3347 ssuriati@cityofchino.org	X	X		X		X	X			X	
* Antioch	2005	586	Mitesh Desai	Dawn Merchant Finance Director (925) 779-6135 dmerchant@ci.antioch.ca.us	X	X	X	X	X	X	X			X	
Lafayette	2020	586	Ahmed Badawi	Jennifer Wakeman Assis. Administrative Services Director (925) 299-3213 JWakeman@lovelafayette.org	X	X	X					X		X	
Lathrop	2023	585	Ahmed Badawi	Thomas Hedegard Deputy City Manager (209) 941-7329 thedegard@ci.lathrop.ca.us	X			X		X	X	X		X	X
Sausalito	2023	559	Ahmed Badawi	Chad Hess Finance Director (415) 289-4150 chess@sausalito.gov	X						X	X		X	
Dinuba	2023	556	Ahmed Badawi	Karina Solis Administrative Services Director (559) 591-5900 ksolis@dinuba.ca.gov	X	X	X	X		X	X	X		X	
** Dublin	2018	546	Ahmed Badawi	Jay Baksa Finance Director (925) 833-6648 Jay.Baksa@dublin.ca.gov	X	X		X	X			X			
Azusa	2017	540	Ahmed Badawi	Talika Johnson Administrative Services Director (626) 812-5202 tjohnson@AzusaCa.Gov	X	X	X	X		X	X			X	
Foster City	2023	540	Ahmed Badawi	Edmund Suen Finance Director (650) 286-3204 esuen@fostercity.org	X	X	X	X		X	X			X	
Millbrae	2015	524	Mitesh Desai	Mike Sung Finance Director (650) 259-2433 msung@ci.millbrae.ca.us	X	X	X	X		X	X			X	
Glendora	2022	487	Ahmed Badawi	Kyle Johnson Finance Director (626) 914-8245 kjohnson@cityofglendora.org	X	X	X	X		X		X	X	X	
San Bruno	2022	486	Ahmed Badawi	Nick Pegueros Chief Financial Officer (650) 616-7054 NPegueros@sanbruno.ca.gov	X	X		X	X	X	X	X		X	
Healdsburg	2023	452	Ahmed Badawi	Katie Edgar Finance Director (707) 431-3184 kedgar@healdsburg.gov			X	X		X	X	X		X	

City	Client Since	Hours	Engagement Partner	Principal Contact	Annual Comprehensive Financial Report	GFOA Award	RDA/Successor Agency	Single Audit	TDA	Water Fund	Sewer Fund	SCO Report	Housing Authority	Enterprise Funds	Pension Trust Fund
* Yuba City	2017	450	Mitesh Desai	Spencer Morrison Finance Director (530) 822-4615 smorrison@yubacity.net	X	X	X	X		X	X	X		X	
Wasco	2021	428	Ahmed Badawi	Isarel Perez-Hernandez Finance Director (661) 758-7230 isperez@cityofwasco.org	X		X	X	X	X	X	X			
Larkspur	2019	382	Ahmed Badawi	Emilia Gabriele Administrative Services Director (415) 927-5016 Finance@cityoflarkspur.org				X					X	X	
Sebastopol	2017	381	Mitesh Desai	Ana Kwong Finance Director (707) 824-4879 akwong@cityofsebastopol.org	X	X	X			X	X	X		X	
Atwater	2021	380	Ahmed Badawi	Anna Nicholas Finance Director (209) 357-6310 anicholas@atwater.org			X	X		X	X	X	X		
Lemon Grove	2022	377	Ahmed Badawi	Joseph Ware Finance Director (619) 825-3803 Jware@lemongrove.ca.gov	X		X	X				X			
Waterford	2018	311	Mitesh Desai	Tina Envia Finance Manager (209) 874-2328 Ext: 104 tenvia@cityofwaterford.org			X			X	X			X	
Solvang	2019	308	Ahmed Badawi	Wendy Berry Administrative Services Director (805) 688-5575 x 205 wendyb@cityofsolvang.com	X	X				X	X	X			
Oakdale	2016	306	Mitesh Desai	Albert Avila Finance Director (209) 845-3584 aavila@ci.oakdale.ca.us			X	X	X	X	X			X	
Guadalupe	2017	303	Mitesh Desai	Janice Davis Finance Director (805) 356-3895 jdavis@ci.guadalupe.ca.us			X	X		X	X			X	
Cotati	2020	265	Ahmed Badawi	Angela Courter Director of Administrative Services (707) 665-4236 acourter@cotaticity.org	X	X				X	X			X	
Crescent City	2014	227	Mitesh Desai	Linda Leaver Finance Director (707) 464-7483 x224 lleaver@crescentcity.org			X	X		X	X		X	X	
Scotts Valley	2019	202	Ahmed Badawi	Stephanie Hill Administrative Services Director (831) 440-5614 shill@scottsvally.org	X	X	X					X		X	

The table below lists all special district engagements (in order of audit hours):

Special District	Client Since	Hours	Engagement Partner	Principal Contact	Annual Comprehensive Financial Report	GFOA Award	Single Audit	Enterprise Funds
San Gabriel Valley Council of Governments	2021	618	Ahmed Badawi	Rey Alimoren Director of Finance (626) 962-9292 ralimoren@sgvcog.org	No	N/A	X	X
Sacramento Metropolitan Fire District	2023	519	Ahmed Badawi	Dave O'Toole Chief Financial Officer (916) 859-4300 otoole.dave@metrofire.ca.gov	Yes	Yes	X	
County of Contra Costa Community Services Bureau Child Development Program	2013	450	Mitesh Desai	Donn Matsuzaki Fiscal Officer (925) 608-4832 dmatsuzaki@ehsd.cccounty.us	No	N/A		
Union Sanitary District	2023	362	Ahmed Badawi	Mark Carlson, CPA CFO/Business Services Manager (510) 477-7510 markc@unionsanitary.ca.gov	Yes	Yes		X
Florin Resource Conservation District/ Elk Grove Water District	2015	350	Mitesh Desai	Patrick Lee Finance Manager / Treasurer (916) 685-3556 plee@egwd.org	Yes	Yes		X
Hayward Area Recreation and Park District	2017	350	Mitesh Desai	Anne Maze Administrative Services Director (510) 881-6707 maza@haywardrec.org	No	N/A	X	
San Ramon Valley Fire Protection District	2021	285	Ahmed Badawi	Ms. Davina Hatfield Chief Financial Officer (925) 838-6668 dhatfield@srvfire.ca.gov	Yes	Yes	X	
Solano County Water Agency	2020	243	Ahmed Badawi	Roland Sanford General Manager (707) 455-1103 rsanford@scwa2.com	No	Yes		
San Mateo Mosquito and Vector Control District	2018	228	Ahmed Badawi	Richard Arrow Finance Director (650) 344-8592 rarrow@smcmvcd.org	Yes	Yes		
Monterey Bay Unified Air Pollution Control District	2016	200	Mitesh Desai	Rosa Rosales Administrative Services Manager (831) 718-8019 rrosales@mbard.org	No	N/A		
Ross Valley Fire Department	2021	190	Ahmed Badawi	Jeff Zuba Finance & Admin. Services Director (262) 989-2208 jzuba@townofsananselmo.org	No	N/A		
Southern Marin Fire Protection District	2020	160	Ahmed Badawi	Alyssa Schiffmann Finance Manager (415) 388-8182 aschiffmann@smfd.org	No	N/A		
Alameda County Waste Management Authority (StopWaste)	2018	154	Mitesh Desai	Jennifer Luong Finance Services Manager (510) 891-6500 jluong@stopwaste.org	Yes	Yes		

Special District	Client Since	Hours	Engagement Partner	Principal Contact	Annual Comprehensive Financial Report	GFOA Award	Single Audit	Enterprise Funds
Central County Fire Department	2012	150	Mitesh Desai	Jan Cooke Finance Director (650) 375-7408 jcooke@hillsborough.net	Yes	Yes		
Central Fire Protection District of Santa Cruz County	2018	150	Mitesh Desai	Nancy Dannhauser Finance Director (831) 479-6842 nancy.dannhauser@centralfiresc.org	No	N/A		
Port of San Luis Harbor District	2017	150	Mitesh Desai	Suzy Watkins Harbor Director (805)595-5414 suzyw@portsanluis.com	Yes	Yes		X
Resource Conservation District of Santa Cruz County	2017	150	Mitesh Desai	Arianne Rettinger Director of Finance (831) 594-8109 arettinger@rcdsantacruz.org	No	N/A	X	
Santa Cruz Regional 9 - 1 - 1	2016	150	Mitesh Desai	Amethyst Uchida General Manager (831) 471-1035 amethyst@scr911.org	No	N/A		
Marin Wildfire Prevention Authority	2021	106	Ahmed Badawi	Alyssa Schiffmann Finance Manager, SMFPD (415) 952-5859 finance@marinwildfire.org	No	N/A		

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, 2025 through 2027, with the option of extending the contract for each of the two (2) subsequent fiscal years.

The Firm will:

- Express an opinion on the fair presentation of its basic financial statements 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 "in-relation-to" opinion on the fair presentation of its combining and individual non-major 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 Annual Comprehensive 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 expenditures of federal awards 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
 - Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with the Uniform Guidance (if required)
 - Schedule of Findings and Questioned Costs (if required)
 - Auditor's Communication with Those Charged with Governance
 - Annual Comprehensive Financial Report following the requirements and guidelines of the GFOA award program
 - Gann Limit Agreed-upon Procedures
 - State Controller's Report
 - Streets 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 7 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's 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.

Specific Audit Approach

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 and documentation software, and objective review procedures. On-site staff will use Firm supplied portable computers and printers.

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 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 City 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 some of the significant reconciliations and schedules that we would normally expect the City to provide to us in assisting us in conducting our fieldwork.

- Trial Balance
- Annual Comprehensive Financial Report Account Roll Up Schedules
- 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 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 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

Use of Technology in the Audit

The Firm maintains a variety of specialized software packages during the audit that enable us to perform an efficient, thorough, and timely audit and keeping time demands on City staff to a minimum.

Trial Balance Management and Financial Statement Preparation

ProSystem Fx Engagement allows us to import and manage multiple years of trial balance data including budgetary information, create multiple account groupings, generate reports, post journal entries proposed during the audit (including GASB 34 conversion entries), and link information directly to the financial statements. This gives us the ability to:

- Generate immediate trend and other comparative analysis of trial balance and budget data prior to the start of the audit. This allows us to identify potential issues and make inquiries early in the audit
- Link the financial statements and footnotes prior to the start of the audit allowing us to have majority of the financial statements (including budgetary comparison schedules and other supplementary information) prepared at the time the trial balance is uploaded
- Audit adjustments or City adjustments provided during the audit are automatically reflected in the financial statements

Audit Request Management and Document Exchange

CCH Engagement Organizer (“Organizer”) is a virtual “Prepared by Client (PBC) List” that streamlines the process of requesting, receiving, and keeping track of documents. The Organizer is an integrated cloud-based request list that helps to facilitate the engagement through more seamless collaboration between the Firm and our clients. By utilizing the Organizer, the City can do all of the following in one secure virtual environment:

- Attach files of any type to document requests
- Easily track the status of document requests that are either pending, completed by the City, accepted by us, or rejected by us
- Access templates and documents from us that require completion
- Have multiple City staff get involved and assist in the audit process
- Participate in a dialog with us for questions and notes

We have found that the use of the Organizer has helped our clients be always informed as to the status of their audit, and not be surprised with new requests or follow up on outstanding requests previously provided.

Computer Aided Audit Tools (CAATs)

The Firm’s data analytics software enables our Engagement Team to perform more than 150 Computer Aided Audit Tools (or “CAATs”). CCH Teammate Analytics gives us the ability to perform advanced data analysis and increase efficiency. By utilizing this software, we can:

- Immediately visualize and analyze 100% of account populations with graphs, charts and statistics to identify anomalies
- Make fewer sample selections that are targeted to problematic areas
- Quickly analyze transactional data for:
 - Duplicate records
 - Missing transactions
 - Transaction sequence
 - Unusual items
- Compare excel worksheets for changes or differences
- Generate immediate testing samples
- Perform regression analysis
- Filter and extract data from City reports

Audit Planning, Risk Assessment, and Audit Programs

Our firm utilizes CCH Knowledge Coach, which is an expert system that adapts and customizes our audit approach specifically based on the City's structure, operating environment, specific transactions, and identified risks or matters to be addressed in the audit. The software is frequently updated for new industry trends and audit requirements. Included in the software is a continuous diagnosis of audit forms that identifies missing information, procedures, or any conflicts that need to be addressed prior to issuance of the audit report. We have found that this audit tool greatly benefits our audit clients in the following ways:

- Removal of standardized audit steps and procedures that do not add value to the audit
- Targeted audit procedures focusing on risks and accounts specific to the City's operations
- Audit is always performed in accordance with audit standards especially the risk assessment standards
- Maximizing audit efficiency having less City staff time dedicated to gathering information or responding to inquiries by focusing on material issues
- Automatic self-diagnostics ensure no audit steps are missed, guaranteeing a quality audit

Research Tools

We maintain multiple research software packages that are always kept up to date to ensure compliance with accounting and auditing standards, and are also a resources for us to provide guidance to our clients. In addition to accounting and audit literature, we have access to interactive disclosure checklists that include sample footnote disclosures and financial statements.

**Audit
 Schedule**

2025 Period	Audit Tasks
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May - **Planning and Administration**

- ▶ Review and obtain copies of key work papers of prior audit firm.
- ▶ The entrance conference shall be held with City staff. The purpose of this meeting will be to discuss prior audits and the interim work to be performed. This meeting will also be used to establish overall liaison for the audits and to make arrangements for work space and other needs
- ▶ 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 the 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 the City staff
- ▶ Send the Organizer to the City that will include all request items considered to be necessary for the audit

May - June - **Internal Control Evaluation**

- ▶ Meeting with City Manager and Department Heads of other departments with large operating budgets or which have significant federal grant expenditures
- ▶ Attending City Council meetings
- ▶ Meeting with off-site locations
- ▶ Meeting with key Finance Department personnel
- ▶ Obtain and document understanding of key internal control systems through walk-throughs, interviews of staff, and review of supporting documentation
 - 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

2025 Period	Audit Tasks
May - June	<p>- Other Tasks</p> <ul style="list-style-type: none"> ▶ Review minutes of City Council meetings and other key committees ▶ Perform preliminary substantive procedures, which would include tests of: <ul style="list-style-type: none"> ○ Vendor and contractor payments ○ Payroll expense ○ Utility billing ○ Pension and OPEB testing ○ Capital asset acquisitions ○ Journal entries ○ Retrospective review of accounting estimates ▶ Financial statement database management and other setup, in addition to drafting of all necessary report templates ▶ Preliminary Single Audit and other compliance testing ▶ Coordinate with City staff and prepare of all appropriate confirmation requests including: <ul style="list-style-type: none"> ○ Bank accounts ○ Investment pool accounts ○ Accounts receivable ○ Federal grants ○ Revenue from governmental agencies ○ Bond and other debts ○ Pension plan ○ Attorney letters ○ Others, as required ▶ Update the Organizer with any additional requests that will be needed for the City's audit ▶ Provide the City with audit plan and list of year-end audit schedules ▶ Hold progress conference with City Management ▶ Hold exit conference with City Management
September - October	<p>- Final Fieldwork</p> <ul style="list-style-type: none"> ▶ Entrance conference with City Management ▶ Follow-up on all outstanding confirmations ▶ Verify and validate account balances by reviewing supporting documentation including invoices, vouchers, council resolutions, minutes, and other documents, as required ▶ Perform analytical review of revenue and expenditures. Determine reason for material differences between budget and actual ▶ Perform a search for unrecorded liabilities by reviewing disbursements subsequent to June 30, testing terms of contractual obligations, and interviewing City staff ▶ Perform review of subsequent events by discussions with City Management and update all minutes of City Council and key committees

2025 Period	Audit Tasks
	<ul style="list-style-type: none"> - Single Audit Compliance (if required) <ul style="list-style-type: none"> ▶ Entrance conference with City Management ▶ Obtain Federal Financial Assistance Schedule ▶ Determine grants to be considered as major programs including clusters ▶ Perform audit tests of major grant programs and compliance with Federal Law and Regulations ▶ Review grant documents, select sufficient number of transactions to test for compliance of Federal Requirements ▶ Coordinate Single Audit efforts with the Financial Audit efforts ▶ Communicate findings to City Management ▶ Other Compliance
November	<ul style="list-style-type: none"> - Audit Reports <ul style="list-style-type: none"> ▶ Complete drafts of City's Annual Comprehensive Financial Report ▶ Prepare draft of Single Audit Reports concerning internal control structure, compliance with laws and regulations, and administering of federal financial assistance programs ▶ Prepare other reports as required ▶ Provide revised final drafts of all required reports to the City for approval
December	<ul style="list-style-type: none"> - Final City Audit Reports, Financial Statements, Single Audit Reports, and other reports delivered. - Audit Presentation to Council
January 2025	<ul style="list-style-type: none"> - State Controller's Reports delivered and submitted - Single Audit Report package submitted to Federal Audit Clearinghouse

Note: the proposed audit schedule above can be adjusted as necessary based on the needs of the City.

Estimated Hours by Audit Phase

Position	Planning	Interim Fieldwork	Year End Fieldwork	Reporting	Total
Partner	7	9	17	6	39
Audit Manager	5	23	20	8	56
Audit Senior	2	26	49	14	91
Professional Audit Staff	-	53	99	13	165
IT Specialist	-	7	-	-	7
Administrative Assistant	5	1	8	9	23
Total	19	119	193	50	381

**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 Comprehensive Financial Report is in compliance with current reporting and disclosures requirements issued by the GASB and GFOA.
 - Review the Annual Comprehensive Financial Report 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:

2025

- Statement 101 – Compensated Absences
- Statement 102 – Certain Risk Disclosures

2026

- Statement 103 – Financial Reporting Model Improvements

**Comprehensive Schedule of Professional Fees
 Cost Bid**

All-Inclusive Maximum Price by Report	FY 2024-25	FY 2024-25	FY 2025-26	FY 2026-27	Optional Year	
	Hours				FY 2027-28	FY 2028-29
Financial Statements Audit	317	\$43,925	\$45,243	\$46,600	\$47,998	\$49,438
Single Audit (if required)	20	2,750	2,833	2,918	3,006	3,096
Gann Limit Agreed-upon Procedures	9	1,200	1,236	1,273	1,311	1,350
City State Controller's Report	20	2,750	2,833	2,918	3,006	3,096
Streets Report	15	2,120	2,184	2,250	2,318	2,388
Total	381	\$52,745	\$54,329	\$55,959	\$57,639	\$59,368

Position	FY 2024-25		FY 2025-26		FY 2026-27		Optional Year			
	Hours	Rates	Hours	Rates	Hours	Rates	FY 2027-28		FY 2028-29	
							Hours	Rates	Hours	Rates
Partner	39	\$ 300	40	\$ 310	40	\$ 320	40	\$330	39	\$340
Audit Manager	56	225	56	230	56	235	55	240	55	245
Audit Senior	91	175	95	180	94	185	94	190	94	195
Professional Audit Staff	165	125	158	130	158	135	157	140	156	145
IT Specialists	7	225	7	230	7	235	7	240	7	245
Administrative Assistant	23	100	23	105	23	110	23	115	22	120
Total Hours	381		379		378		376		373	
Total Cost		\$ 64,725		\$ 66,945		\$ 68,855		\$ 70,565		\$ 72,040
Discount		(11,980)		(12,616)		(12,896)		(12,926)		(12,672)
Total not to exceed fees		\$ 52,745		\$ 54,329		\$ 55,959		\$ 57,639		\$ 59,368

Note: The above is an all-inclusive maximum price, including services, out-of-pocket expenses, meals, lodging, transportation, printing, and other costs.

Manner of Payment:

Each Engagement Team member maintains detailed time sheets describing work performed, date of work, and amount of time spent on each task for the Engagement. The Firm will bill the City after completion of each phase of the audit and bill the City up to a maximum of 90%. The remaining 10% of the proposal amount will not be due until all final reports are delivered and accepted by the City. The City can anticipate three billings as follows:

Work Performed	% of Proposal Amount
For interim work	45%
For year-end work	45%
At presentation and acceptance of final reports	10%
Total	100%

Rates for Additional Professional Services:

Any services outside the scope of our engagement will be promptly identified before the services are rendered. Upon mutual agreement, the out-of-scope services will be separately billed at our standard hourly rates. While it can be difficult to simply state hourly rates, as often times the needs of the client and the specific tasks directly impact the billing rates for our services, we want to provide the following information regarding our published billing rates:

Position	Hourly Rate
Partner	\$ 300
EQR	300
Manager	225
Senior	175
Staff	125
I.T.	225
Admin.	100

Our Standard Hourly Rates are adjusted annually by 3% for Cost of Living and Inflation Adjustments

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 References

- 1) City of Berkeley
 - Scope of Work: Annual Comprehensive Financial Report, Single Audit, SAS 114, Gann Limit, Measure B/BB/F (Alameda County), TDA Audit, RDA Successor Agency
 - Engagement Partner: Ahmed Badawi (2008 – 2019), Mitesh Desai (2020 - Present)
 - Address: 2180 Milvia Street, Berkeley, CA 94704
 - Principal Contact:
Mr. Henry Oyekanmi, Finance Director
(510) 981-7332
hoayakanmi@ci.berkeley.ca.us
- 2) City of Richmond
 - Scope of Work: Annual Financial Report, Single Audit, SAS 114, Gann Limit, Joint Powers Financing Authority, TDA, State Controller's Reports
 - Engagement Partner: Ahmed Badawi (2020 - Present)
 - Address: 450 Civic Center Plaza, Richmond, CA 94804
 - Principal Contact:
Ms. Andrea Miller, Finance Director
(510) 412-2077
Andrea_Miller@ci.richmond.ca.us
- 3) City of Lafayette
 - Scope of Work: Annual Comprehensive Financial Report, Single Audit, SAS 114, Gann Limit, TDA, Lamorinda Fee and Finance Authority Report, Lamorinda School Bus Transportation Agency Report, State Controller's Report
 - Engagement Partner: Ahmed Badawi (2020 – Present)
 - Address: 3675 Mount Diablo Blvd., #210, Lafayette, CA 94549
 - Principal Contact:
Ms. Jennifer Wakeman, Assistant Administrative Services Director
(925) 299-3213
jwakeman@lovelafayette.org
- 4) City of Petaluma
 - Scope of Work: Annual Comprehensive Financial Report, Single Audit, SAS 114, Gann Limit, TDA, State Controller's Report
 - Engagement Partner: Ahmed Badawi (2019 – Present)
 - Address: 11 English Street, Petaluma, CA 94952
 - Principal Contact:
Ms. Corey Garberolio, Assistant Finance Director
(707) 778-4357
cgarbero@cityofpetaluma.org
- 5) City of Antioch
 - Scope of Work: Annual Comprehensive Financial Report, Single Audit, SAS 114, Gann Limit, Antioch Public Financing Authority, Antioch Area Public Facilities Financing Agency
 - Engagement Partner: Ahmed Badawi (2005 – 2019), Mitesh Desai (2020 - Present)
 - Address: Third and H Streets, Antioch, CA 94509
 - Principal Contact:
Ms. Dawn Merchant, Finance Director
(925) 779-6135
dmerchant@ci.antioch.ca.us

Exceptions to the Contract

With regard to the Sample Agreement for Consultant Services & Insurance Requirements, RFP Appendix C, Agreement for Professional Services, we would like to edit the paragraphs as follows:

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, **except to the extent that such losses, liabilities, damages, or costs and expenses result directly from the gross negligence or willful misconduct of the City**; 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.

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, **unless such property is proprietary in nature**, 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.