

# Marin Emergency Radio Authority

## TECHNICAL PROPOSAL

***For Professional Auditing Services for  
the Marin Emergency Radio Authority  
For the fiscal year ending June 30, 2022***

**August 2, 2022**

**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](mailto:abadawi@b-acpa.com)



# **Marin Emergency Radio Authority**

## **Table of Contents**

	<u>Page</u>
<b>Letter of Transmittal.....</b>	1
<b>Firm Qualifications and Experience .....</b>	3
Independence.....	3
Insurance.....	3
License to Practice in California.....	3
Firm Qualifications.....	3
Technical Approach.....	4
Firm Experience .....	5
Additional Activities .....	5
Client Training Seminar.....	6
Flowcharting Documentation.....	6
Quality Control Review.....	6
Federal or State Desk Reviews.....	9
Disciplinary Action .....	9
Litigations .....	9
<b>Partner, Supervisory, and Staff Qualifications and Experiences.....</b>	10
<b>Similar Engagements with Other Governmental Entities .....</b>	17
<b>Understanding of Services to be Provided.....</b>	21
<b>Specific Audit Approach.....</b>	22
Objectives of Our Services.....	22
Audit Approach.....	22
Technical Approach.....	23
<b>Use of Technology in the Audit .....</b>	26
<b>Firm's Capability to Work Remotely.....</b>	28
<b>Audit Schedule .....</b>	29
<b>Discussion of Relevant Accounting Issues.....</b>	32
<b>Comprehensive Cost Bid.....</b>	33
<b>Conclusion.....</b>	34
<b>Appendix A.....</b>	35
References .....	35





August 2, 2022

Heather Plumondon  
Executive Officer  
Marin Emergency Radio Authority

Dear Heather Plumondon

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 Marin Emergency Radio Authority (the "Authority") for the fiscal year ending June 30, 2022. The objective of our audit is to issue an opinion regarding the fairness of presentation of the financial position of the Authority in accordance with generally accepted accounting principles. The audit are to be performed in accordance with the *Minimum Audit Requirements and Reporting Guidelines for California Special Districts* as required by the State Controller's Office and with Generally Accepted Auditing Standards (GAAS), as well as any other applicable federal, state, local or programmatic audit requirements.

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

- Measure A Compliance

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 Authority.

This proposal demonstrates our ability to render the quality examination and to perform the necessary accounting and auditing services requested by the Authority 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  
2855 Telegraph Avenue, Suite 312  
Berkeley, CA 94705  
Telephone: (510)768-8244  
E-mail: [abadawi@b-acpa.com](mailto:abadawi@b-acpa.com)

Ms. Heather Plamondon  
Executive Officer  
Marin Emergency Radio Authority  
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 special districts and cities throughout California. We will be responsive to the needs of the Authority, we understand the Authority's operational environment, and pledge to you our complete commitment to providing a quality product that meets the Authority's requirements.

The approach to the audit has been designed to meet the audit requirements of the Authority with the least disruption to the Authority's office operations. The foundation of the audit approach is based on communication coupled with a strong knowledge of Authority operations and detailed planning at the initial stages of the audit. Open communication lines with all parties of the Engagement Team and Authority 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 Authority. Our past experience provides us with a thorough understanding of the needs and requirements of the Authority, 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 Marin Emergency Radio Authority 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 Authority's independent auditor, the Firm and our insurance provider will provide a certificate of insurance to Authority which shows the minimum requirements identified by Authority have been met.

**License to Practice in California**

The Firm and all key professional staff assigned to Authority'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**

Badawi & Associates was founded by Mr. Ahmed Badawi. Mr. Badawi has over 20 years of experience working with state and local government. 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 municipalities throughout California. 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 Authority.

In addition to specific district 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 Authority, Mr. Ahmed Badawi. Mr. Badawi has over 20 years of government audit and accounting 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 Authority's finance department.

### **Technical Approach**

The approach to the audit has been designed to meet the audit requirements of various agencies with the least disruption to the Authority's operations. The foundation of the audit approach is based on communication coupled with a strong knowledge of Authority operations and detailed planning at the initial stages of the audit. Open communication lines with all parties of the Engagement Team and Authority 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 Authority Management to discuss the audit approach, identify specific needs of Authority Management, and familiarize themselves with Authority policies and practices.

**2. Interim:**

The Engagement Team members including the Engagement Team Partner will perform the internal control reviews, test transactions, and identify potential audit issues that need to be addressed, perform limited confirmation procedures, and develop a clear understanding between the Engagement Team and Authority 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 Authority on providing a list of those tasks that we will target to complete during interim and work with the Authority on how to complete them to minimize the amount of effort and time needed at year-end which in turn will assist the Authority in meeting its goal of issuing the report by the desired deadline.**

**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 Authority reporting entities and compliance requirements will be finalized along with the Management Letter comments. The Partner and Manager will be available to make presentations to the Board 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 Authority's operational needs. Additionally, this situation provides the Authority with an auditing firm that has depth in capabilities to address any financial issue the Authority may need assistance with, and the quality audit approach that you expect.

Our Berkeley office will be the Engagement Office assigned to the Authority.

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 Authority 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 Authority processes, and benefiting the Authority with his broad municipal experience. We have found that this effort benefits the Authority and the Firm through developing a thorough knowledge of the Authority's practices and issues and establishing a close working relationship with the Authority'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
- Redevelopment Agencies
- Financing Authorities
- Housing Authorities
- Special Districts
- Water Districts
- Waste Management Authorities and Operations
- Pension Plans
- Child Care Operations
- Joint Power Authorities
- Investment Activities
- Landfills
- Enterprise Funds
- Airports
- Transportation Operations
- 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
- Compliance audits
- Tax advice
- Development of financial and accounting policies and procedures
- Investment review and compliance evaluation
- Operational reviews
- Technical guidance on existing and upcoming accounting issues
- Training seminars
- Pension/profit-sharing plans
- Performance audits
- Business consulting

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

### **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.

### **Flowcharting Documentation**

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

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 28, 2019. 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](http://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**

- 📍 4120 Concours, Suite 100, Ontario, CA 91764
- 📞 909.948.9990 / 800.644.0696 / FAX 909.948.9633
- ✉ gyl@gylcpa.com
- 🌐 www.gylcpa.com



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, 2019, 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  
May 31, 2019



---

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**

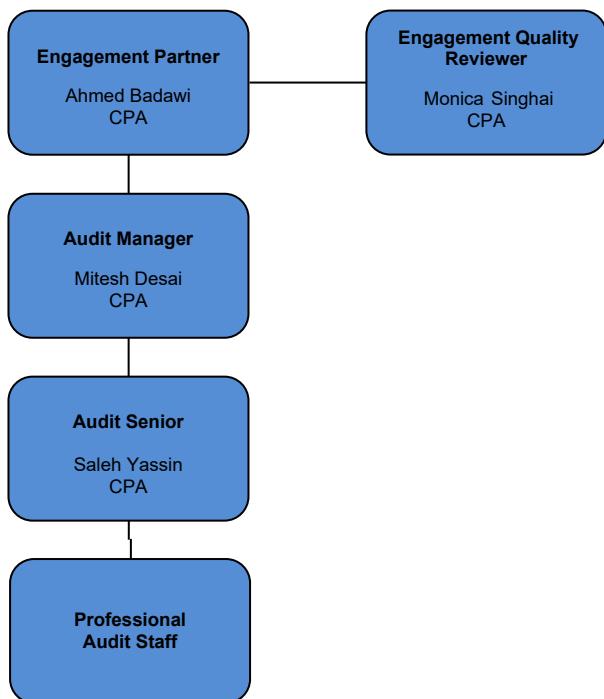
There has not been any state or federal disciplinary actions taken or pending against the Firm nor any findings to report.

**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 five 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 Authority 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 experience. 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 Mitesh Desai, CPA. Mr. Desai's background includes fourteen 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 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 will be Saleh Yassin, CPA. Mr. Yassin's background includes ten years of accounting and auditing experience. He 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. Mr. Yassin will be the Audit Senior of this engagement.

The fourth member of the Engagement Team will be Monica Singhai, CPA. Mrs. Singhai's background includes over seventeen years of experience in municipal auditing. 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 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 Comprehensive 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 Authority.

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 Authority 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 of experience in municipal auditing and accounting
- Certified Public Accountant for the State of California

Professional Experience

- Partial listing of clients served:

	<b>Financial Audit</b>	<b>Single Audit</b>	<b>RDA Audit</b>	<b>PFA Audit</b>	<b>Water Enterprise</b>	<b>Other</b>
Special Districts and Other:						
Alameda County Water District	X				X	X
Elk Grove Water District	X				X	
Marin Municipal Water District	X				X	X
Solano County Water Agency	X					
Castro Valley Sanitary District	X					
West County Wastewater District	X					X
Aptos/La Selva Fire Protection District	X					
Central County Fire District	X					
Coastside Fire Protection District	X					X
Cosumnes Community Services District	X					X
East Bay Regional Park District	X	X				X
Metropolitan Transportation Commission						X
Sanitary District No. 5	X					
South Bayside System Authority	X					X
Southern Marin Fire Protection District	X					
Stanislaus County Childcare	X					X
Cities:						
Antioch	X	X		X	X	X
Azusa	X	X		X	X	
Burlingame	X				X	X
Cotai	X				X	X
Folsom	X	X			X	X
Millbrae	X				X	X
Oakdale	X	X	X		X	X
Petaluma	X				X	X
Redwood City	X	X			X	X
San Bruno	X	X	X		X	X
San Luis Obispo	X				X	X
Sebastopol	X				X	X
Turlock	X	X	X	X	X	X
Yuba City	X	X			X	X
Counties:						
Santa Cruz County	X	X	X	X		X
Contra Costa County	X	X	X	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

**Mitesh Desai, Certified Public Accountant – Professional Audit Manager**Length of Career

- Fourteen years of experience in municipal auditing
- 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	Water Enterprise	Other
<b>Special Districts and Other:</b>						
Alameda County Water District	X				X	X
Elk Grove Water District	X				X	
Marin Municipal Water District	X				X	X
Castro Valley Sanitary District	X					
West County Wastewater District	X					X
Coastside Fire Protection District	X					X
Cosumnes Community Services District	X					X
East Bay Regional Park District	X	X				X
Metropolitan Transportation Commission			X			X
Monterey Bay Unified Air Pollution Control District	X					
Sanitary District No. 5	X					
South Bayside System Authority	X					X
Stanislaus County Childcare	X					X
<b>Cities:</b>						
Antioch	X	X		X	X	X
Azusa	X	X		X	X	
Burlingame	X				X	X
Cotai	X				X	X
Folsom	X	X			X	X
Millbrae	X				X	X
Oakdale	X	X	X		X	X
Petaluma	X				X	X
Redwood City	X	X			X	X
San Bruno	X	X	X		X	X
San Luis Obispo	X				X	X
Sebastopol	X				X	X
Turlock	X	X	X	X	X	X
Yuba City	X	X			X	X
<b>Counties:</b>						
Santa Cruz County	X	X	X	X		X
Contra Costa County	X	X	X	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

**Saleh Yassin, Certified Public Accountant – Professional Audit Senior**Length of Career

- Ten years of experience in auditing
- 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	SCO Report	Single Audit	PFA Audit	Water Enterprise	Other
<b>Special Districts and Other:</b>						
Solano County Water Agency	X					
Southern Marin Fire Protection District	X					
Central County Fire District	X					
Hayward Area Recreation and Park District	X		X	X		
Regional Government Services Authority	X					
San Mateo Mosquito District	X		X			
Sutter Animal Services Authority	X					
Sutter Butte Flood Control Agency	X					
Zayante Fire Protection District	X					
Housing Endowment and Regional Trust	X					
Newark Betterment Corporation	X					
<b>Cities:</b>						
Albany	X					X
Antioch	X				X	X
Azusa	X				X	X
Berkeley	X					X
El Cerrito	X					
East Palo Alto	X					
Larkspur	X					X
Newark	X					X
Oakdale	X				X	X
Petaluma	X	X		X	X	
Pinole	X					X
San Luis Obispo	X					X
San Mateo	X					
Sebastopol	X	X				X
Solvang	X					X
Vacaville	X	X	X		X	
Yountville	X				X	
Yuba City	X				X	X

Education

- BA Degree in Accounting from University of Asmara, Eritrea

Professional Activities

- Member, American Institute of Certified Public Accountants
- Member of the Association of Chartered Certified 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 – Engagement Quality Reviewer**Length of Career

- Seventeen years' of experience in auditing with special focus on municipalities
- Certified Public Accountant for the State of California

Professional Experience

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

	Financial Audit	Single Audit	RDA Audit	PFA Audit	Enterprise Fund	Other
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					
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
Cities:						
Berkeley	X	X				X
East Palo Alto	X					X
Menlo Park	X	X				X
Redwood City	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

## Similar Engagements with Other Governmental Entities

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	Mr. Rey Alimoren, Director of Finance (626) 962-9292 ralimoren@sgvcog.org	No	N/A		X
County of Contra Costa Community Services Bureau Child Development Program	2013	450	Mitesh Desai	Ms. Nancy Benavides Fiscal Officer (925)681-4268 nbenavides@ehsd.cccounty.us	No	N/A		
Florin Resource Conservation District/ Elk Grove Water District	2015	350	Mitesh Desai	Mr. Patrick Lee Finance Manager / Treasurer (916)685-3556 plee@egwd.org	Yes	Yes		X
Hayward Area Recreation and Park District	2017	350	Ahmed Badawi	Ms. Anne Maze Interim Finance Manager (925)451-5318 maza@haywardrec.org	No	N/A		
Amador County Transportation Commission	2019	260	Ahmed Badawi	Mr. John Gedney Executive Director (209)267-2282 john@actc-amador.org	No	N/A		
Solano County Water Agency	2020	243	Ahmed Badawi	Mr. Roland Sanford General Manager (707) 455-1103 rsanford@scwa2.com	No	N/A		
San Mateo Mosquito and Vector Control District	2018	228	Ahmed Badawi	Mr. Richard Arrow Finance Director (650)344-8592 arrow@smcmvcd.org	Yes	Yes		
Monterey Bay Unified Air Pollution Control District	2016	200	Mitesh Desai	Ms. Rosa Rosales Administrative Services Manager (831)718-8019 rrosales@mbard.org	No	N/A		
Southern Marin Fire Protection District	2020	160	Ahmed Badawi	Ms. Alyssa Schiffmann Finance Manager (415)388-8182 aschiffmann@smfd.org	No	N/A		
Alameda County Waste Management Authority (StopWaste)	2018	154	Ahmed Badawi	Mrs. Jennifer Luong Finance Services Manager (510)891-6500 jluong@stopwaste.org	No	N/A		
Aptos La Selva Fire District	2016	150	Mitesh Desai	Ms. Nancy Dannhauser Finance Director (831)885-6690 nancyd@centralfpd.com	No	N/A		
Central County Fire Department	2012	150	Mitesh Desai	Ms. Jan Cooke Finance Director (650)375-7408 jcooke@hillsborough.net	Yes	Yes		
Zayante Fire Protection District	2017	150	Mitesh Desai	Mr. John Stipes Fire Chief (831) 335-5100 chief2401@cwncast.net	No	N/A		
Santa Cruz Regional 9 - 1 - 1	2016	150	Mitesh Desai	Mr. Dennis Kidd General Manager (831)471-1038 dennis.kidd@scr911.org	No	N/A		
Resource Conservation District of Santa Cruz County	2017	150	Mitesh Desai	Ms. Sharon Corkrean Director of Finance scorkrean@rcdsantacruz.org	No	N/A	X	
Port of San Luis Harbor District	2017	150	Ahmed Badawi	Ms. Kristen Stout Business Manager (805)595-5413 kristens@portsanluis.com	Yes	Yes		X
Central Fire Protection District of Santa Cruz County	2018	150	Mitesh Desai	Mrs. Nancy Dannhauser Finance Director (831)479-6842 nancyd@centralfpd.com	No	N/A		

The table below and on the following page lists City engagements that encompassed issuing a Annual Comprehensive Financial Report (resulting in a GFOA award), audit of enterprise activities, or encompassed performance of a Single Audit.

\* 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	Child Care Audit	Housing Authority	Enterprise Funds	Pension Trust Fund	
**	Richmond	2020	3,160	Ahmed Badawi	Ms. Delmy Cuellar Finance Manager (510)620-6790 Delmy_Cuellar@ci.richmond.ca.us	X		X	X	X	X		X	X	X	X	
**	Berkeley	2008	1,850	Mitesh Desai	Mr. Henry Oyekanmi Finance Director (510)981-7300 hoyekanmi@ci.berkeley.ca.us	X	X	X	X	X		X			X	X	
*	Union City	2006	850	Mitesh Desai	Ms. Jackie Acosta Finance Director (510)675-5345 jackiea@unioncity.org	X	X	X	X	X						X	
**	Folsom	2019	807	Ahmed Badawi	Ms. Stacey Tamagni Finance Director (916)461-6712 stamagni@folsom.ca.us	X	X		X		X	X				X	
*	Petaluma	2019	691	Ahmed Badawi	Ms. Corey Garberolio Finance Director (707)778-4357 cgarbero@cityofpetaluma.org	X	X		X	X	X	X	X				
*	San Luis Obispo	2019	638	Ahmed Badawi	Ms. Brigitte Belke Finance Director (805)781-7125 belke@slocity.org	X	X		X	X	X	X					
*	Antioch	2005	586	Mitesh Desai	Ms. 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	Ms. Tracy Robinson Administrative Services Director (925)299-3227 trobinson@lovelafayette.org	X	X	X								X	
	East Palo Alto	2014	560	Mitesh Desai	Mr. Tomohito Oku Finance Director (650)853-3122 toku@cityofepa.org	X	X	X	X		X					X	
	El Cerrito	2018	547	Ahmed Badawi	Ms. Lucy Xie Senior Accountant (510)215-4310 lxie@ci.el-cerrito.ca.us	X	X	X	X	X						X	X
**	Dublin	2018	546	Ahmed Badawi	Ms. Lisa Hisatomi Director of Finance & Admin. Services (925)833-6640 Lisa.Hisatomi@dublin.ca.gov	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	Child Care Audit	Housing Authority	Enterprise Funds	Pension Trust Fund
	Azusa	2017	540	Ahmed Badawi	Ms. Talika Johnson Administrative Services Director (626)812-5202 tjohnson@AzusaCa.Gov	X	X	X	X	X	X				X	
	Millbrae	2015	524	Ahmed Badawi	Mr. Mike Sung Finance Director (650)259-2433 msung@ci.millbrae.ca.us	X	X	X	X	X	X	X			X	
*	Yuba City	2017	450	Ahmed Badawi	Mr. Spencer Morrison Finance Director (530)822-4615 smorrison@yubacity.net	X	X	X	X		X	X			X	
	Wasco	2021	428	Ahmed Badawi	Mr. Isarel Perez-Hernandez Finance Director (661)758-7230 isperez@cityofwasco.org				X	X	X	X				
	Pinole	2018	419	Ahmed Badawi	Ms. Markisha Guillory Finance Director (510)724-9823 MGuillory@ci.pinole.ca.us	X	X	X				X			X	
	Larkspur	2019	382	Ahmed Badawi	Ms. Cathy Orme Administrative Services Director (415) 927-5019 Finance@cityoflarkspur.org					X				X	X	
	Atwater	2021	380	Ahmed Badawi	Ms. Kellie Jacobs-Hunter Finance Director (209)357-6347 kjacobshunter@atwater.org				X	X	X	X			X	
	Waterford	2018	311	Ahmed Badawi	Mrs. Tina Envia Finance Manager (209)874-2328 Ext: 104 tenvia@cityofwaterford.org				X		X	X			X	
	Solvang	2019	308	Ahmed Badawi	Ms. Xenia Bradford City Manager (805)688-5575 xeniab@cityofsolvang.com	X	X				X	X				
	Oakdale	2016	306	Ahmed Badawi	Mr. Albert Avila Finance Director (209)845-3584 aavila@ci.oakdale.ca.us				X	X	X	X	X			X
	Guadalupe	2017	303	Ahmed Badawi	Ms. Lorena Zarate Finance Director (805)356-3895 cccooper@ci.guadalupe.ca.us				X	X		X	X			X
	Sebastopol	2017	275	Mitesh Desai	Mrs. Ana Kwong Finance Director (707)824-4879 akwong@cityofsebastopol.org	X	X	X			X	X				X

	<b>City</b>	<b>Client Since</b>	<b>Hours</b>	<b>Engagement Partner</b>	<b>Principal Contact</b>	<b>Annual Comprehensive Financial Report</b>	<b>GFOA Award</b>	<b>RDA/Successor Agency</b>	<b>Single Audit</b>	<b>TDA</b>	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Child Care Audit</b>	<b>Housing Authority</b>	<b>Enterprise Funds</b>	<b>Pension Trust Fund</b>
	Cotati	2020	265	Ahmed Badawi	Ms. Angela Courter Director of Administrative Services 707-665-4236 acourter@cotaticity.org	X	X			X	X			X		
	Crescent City	2014	227	Mitesh Desai	Ms. Linda Leaver Finance Director (707)464-7483 x224 lleaver@crescentcity.org			X	X	X	X		X	X		
	Scotts Valley	2019	202	Ahmed Badawi	Ms. Casey Estorga Administrative Services Director (831) 440-5615 cestorga@scottsvalley.org	X	X	X							X	
	Calimesa	2013	193	Mitesh Desai	Ms. Bonnie Johnson City Manager (909)795-9801 ext 231 bjohnson@cityofcalimesa.net			X								

## Understanding of Services to be Provided

The Authority desires an audit of the financial records for the Authority 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, 2022.

The Firm will:

- Express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles in the United States of America
- Express an "in-relation-to" opinion on the fair presentation of any supplementary information in conformity with generally accepted accounting principles. The Firm will provide an "in-relation-to" report on the supporting schedules contained in the Annual Financial Report based on the auditing procedures applied during the audit of the basic financial statements and schedules
- 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
  - Measure A Compliance Report
- Provide special assistance to the Authority 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 Authority 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 Authority's Board 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 Authority 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 Board and will be ready to respond to questions from the Board and any other interested parties.

## Specific Audit Approach

### Objectives of Our Services

The basic objective of our audit of the Authority 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 Authority:

- 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 Authority, to perform the audit of the Authority's financial records in a timely manner with minimal disruptions to office operations, and to meet the Authority's timeline.

The audit will be conducted in accordance with:

- 1) Generally accepted auditing standards established by the AICPA
- 2) Requirements issued by the California State Controller's office
- 3) 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 Authority 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 Authority. 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 Authority and understanding and experience with the Authority'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 Authority'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 Authority 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 Authority'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 Authority 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

**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 Authority 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 Authority 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, requirements of local measures, etc.

**10. Report Format:**

We will meet with Authority Management to review report formats. Any report format changes will be made in conjunction with approval from the Authority's management.

**11. Work Plans:**

The detailed work plans will be designed to efficiently and effectively address the audit requirements of the Authority in accordance with generally accepted auditing standards, to perform the audit of the Authority's financial records in a timely manner with minimal disruptions to office operations, and to meet the Authority's timeline.

**12. Adjusting Journal Entries:**

We will discuss and explain proposed audit adjusting entries with the Authority'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 Authority's general ledger system.

**13. Listing of Schedules and Tables (anticipated to be prepared by the Authority):**

Based on preliminary inquiries made with management and Authority 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 Authority for day to day operations and reporting, as well as any reports that are system generated to limit the need for additional Authority staff hours.

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

- Trial Balance
- Annual Financial Report /BFS Account Roll Up Schedule
- Budget to Actual Reports
- Bank Reconciliations
- Listing of manually prepared journal entries posted
- Summary of Investments held by the Authority
- 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
- 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
- Reconciliation of Significant Revenue Accounts
- Fee schedules
- Claims Payable schedules
- Supporting schedules for the Authority's significant cost allocations

## 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 Authority 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 Authority 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 Authority 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 Authority, accepted by us, or rejected by us
- Access templates and documents from us that require completion
- Have multiple Authority staff get involved and assist in the audit process
- Participate in a dialog with us for questions and notes

Especially with having to perform a large part of the audit remotely in 2020, and anticipated for the upcoming year, 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 Authority 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 Authority'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 Authority's operations
- Audit is always performed in accordance with audit standards especially the risk assessment standards
- Maximizing audit efficiency having less Authority 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.

## Firm's Capability to Work Remotely

Due to the COVID-19 pandemic, we have had to adapt to a new environment that had brought on challenges for both our clients and our firm, which we were able to overcome successfully and continue to discuss with our clients on improvements we can make for addressing any concerns. Remote auditing has not been new to our firm, as we had already implemented remote auditing procedures for a few of our distant clients. Below are the policies and methods we used to address limitations created by the pandemic, which we plan to continue to incorporate partially or completely in future contract periods, if these are preferred to the traditional audit process:

- Staff Interviews and Meetings are conducted via video conferencing software (either Zoom or other software used by the Authority).
- Earlier transmission of documents needed for the audit – We have always provided our request list for the audit timely, however we have found that additional time may be needed by Authority staff in gathering documents necessary for the audit; so we plan on providing the Authority with a complete list of documents for all phases of the audit no later than one month prior to the start of the interim fieldwork.
- More frequent and timelier communication – We have found that due to not having on-site presence, communication for the audit needs to be more intentional:
  - We request that certain documents that will be used to make samples (expenditure reports, census data, revenue detail, journal entry listings, other) be provided one week prior to our fieldwork start date. This allows more time for testing selections that we will need to be provided to us during our fieldwork time.
  - The CCH Organizer that we use for exchanging files described in detail on page 26, is updated frequently and displays the status of all requests during the audit. Documents will either be classified as pending, completed, accepted, or rejected.
  - As needed status meetings by video conference
  - Phone calls and/or emails can be made anytime to the audit team
  - After the end of interim and year end fieldwork, we will conduct an exit meeting to discuss the status of the audit, audit findings, new accounting pronouncements and any other topic significant to the audit to keep you informed as to what was accomplished and what are the pending matters.
- We understand that every agency operates differently and being flexible is important. With regard to reviewing documents for testing, we can review documents electronically if they can be scanned and uploaded, alternatively we can schedule a day visit to review them on-site provided there are mandates restricting a site visit and safety precautions are followed. If a site visit is needed, we would request documents be gathered for our review in advance to minimize our time needed to mitigate transmission risk.

If possible, we have found that being provided read-only access to the financial system and any other financial system used to store information relevant to the audit reducing Authority staff time needs, as the audit team is able to run reports and obtain information independently.

Audit Schedule	2022 Period	Audit Tasks
	September	<p><b>- Planning and Administration</b></p> <ul style="list-style-type: none"> <li>▶ Review and obtain copies of key work papers of prior audit firm</li> <li>▶ Entrance conference with Authority Management to discuss audit approach, timing, assistance, and issues</li> <li>▶ Review and evaluate the Authority's accounting and financial reporting. Prepare an overall memo of recommendations, potential issues, and suggestions for improvements</li> <li>▶ Prepare overall memo to Authority confirming audit procedures, timing, and assistance</li> <li>▶ Prepare detailed audit work plan and audit programs, audit budget and staffing schedule, and list of schedules to be prepared by Authority staff, and provide it to Authority Management</li> <li>▶ Send the Organizer to the Authority that will include all request items considered to be necessary for the audit</li> </ul>
	September	<p><b>- Internal Control Evaluation</b></p> <ul style="list-style-type: none"> <li>▶ Meeting with General Manager</li> <li>▶ Attending Board of Authority meetings</li> <li>▶ Meeting with off-site locations (if any)</li> <li>▶ Meeting with key Finance Division personnel</li> <li>▶ 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"> <li>○ General ledger system</li> <li>○ Budgeting system</li> <li>○ Revenue, accounts receivable, and cash collections</li> <li>○ Purchasing, expenditures, accounts payable, and cash disbursements</li> <li>○ Payroll</li> <li>○ Federal Financial Assistance</li> <li>○ Other systems</li> </ul> </li> <li>▶ Identify control risks</li> <li>▶ Evaluate IT control environment</li> <li>▶ Perform testing of the internal control system and evaluate the effectiveness of the Authority'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 Authority policies</li> <li>▶ Conduct fraud assessment procedures</li> <li>▶ Assess degree of risk for material misstatement</li> <li>▶ Provide to the Authority's management a memo concerning management letter points and identify issues, if any</li> <li>▶ Interim exit conference with Authority Management</li> </ul>

2022 Period	Audit Tasks
September	<p><b>- Other Tasks</b></p> <ul style="list-style-type: none"> <li>▶ Review minutes of Board meetings and other key committees</li> <li>▶ Perform preliminary substantive procedures, which would include tests of: <ul style="list-style-type: none"> <li>○ Vendor and contractor payments</li> <li>○ Payroll expense</li> <li>○ Capital asset acquisitions</li> <li>○ Journal entries</li> <li>○ Retrospective review of accounting estimates</li> </ul> </li> <li>▶ Financial statement database management and other setup, in addition to drafting of all necessary report templates</li> <li>▶ Coordinate with Authority staff and prepare of all appropriate confirmation requests including: <ul style="list-style-type: none"> <li>○ Bank accounts</li> <li>○ Investment pool accounts</li> <li>○ Accounts receivable</li> <li>○ Federal grants</li> <li>○ Revenue from governmental agencies</li> <li>○ Bond and other debts</li> <li>○ Attorney letters</li> <li>○ Others, as required</li> </ul> </li> </ul>
September	<p><b>- Final Fieldwork</b></p> <ul style="list-style-type: none"> <li>▶ Entrance conference with Authority Management</li> <li>▶ Follow-up on all outstanding confirmations</li> <li>▶ Verify and validate account balances by reviewing supporting documentation including invoices, vouchers, board resolutions, minutes, and other documents, as required</li> <li>▶ Perform analytical review of revenue and expenditures. Determine reason for material differences between budget and actual</li> <li>▶ Perform a search for unrecorded liabilities by reviewing disbursements subsequent to June 30, testing terms of contractual obligations, and interviewing Authority staff</li> <li>▶ Perform review of subsequent events by discussions with Authority Management and update all minutes of Authority Board and key committees</li> <li>▶ Exit conference with Authority Management</li> </ul>

2022 Period	Audit Tasks
October	<p><b>- Audit Reports</b></p> <ul style="list-style-type: none"> <li>▶ Complete preliminary drafts of financial statements</li> <li>▶ Prepare other reports as required</li> <li>▶ Provide drafts of reports to Authority Management for review</li> <li>▶ Presentation to Board of Directors</li> <li>▶ Provide revised final drafts of all required reports to the Authority for approval</li> </ul>
November	<b>- Final Audit Report, and Financial Statements delivered</b>

Estimated Hours by Audit Phase

Position	Planning	Interim Fieldwork	Year End Fieldwork	Reporting	Total
Partner	5	12	8	2	27
Audit Manager	4	20	21	3	48
Audit Senior	8	31	33	4	76
Professional Audit Staff	-	52	48	6	106
Administrative Assistant	3	5	-	5	13
Total	20	120	110	20	270

## Discussion of Relevant Accounting Issues

### Identification of Anticipated Potential Audit Problems

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

- Financial Reporting:
  - Review and evaluate that the Authority's Annual Financial Report are in compliance with current reporting and disclosures requirements issued by the GASB and GFOA
  - Review the Annual 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 Authority'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:

#### 2022

- Statement 87 – Leases
- Statement 89 – Construction-period Interest
- Statement 92 – Omnibus (multiple effective date)
- Statement 93 – LIBOR Removal and Lease Modifications
- Statement 97 – Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans
- Statement 98 – The Annual Comprehensive Financial Report

#### 2023

- Statement 91 – Conduit Debt
- Statement 94 – Public-private Partnerships
- Statement 96 – Subscription-Based Information Technology Arrangements

#### 2024

- Statement 100 – Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62

#### 2025

- Statement 101 – Compensated Absences

## Comprehensive Cost Bid

### Schedule of Professional Fees

Service	2022 Hours	2022
Financial Statements Audit	249	\$ 23,050
Measure A	21	1,950
Total	270	\$ 25,000

Position	2022	
	Hours	Rates
Partner	27	\$ 150
Audit Manager	48	120
Audit Senior	76	85
Professional Audit Staff	106	75
Administrative Assistant	13	60
Total Hours	270	
Total Cost	\$	25,000

### 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 Authority after completion of each phase of the audit and bill the Authority 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 Authority. The Authority 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	\$ 200
EQR	200
Manager	150
Senior	125
Staff	100
Admin.	75

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

**Conclusion**

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

- Rendering the highest standard of service
- Developing a long-term working relationship dedicated to meeting the needs of the Authority
- Assisting the Authority 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 Authority and stand ready to provide our knowledge and experience for the benefit of your organization.

We would like to express our appreciation to the Authority 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) Florin Resource Conservation District/ Elk Grove Water District
  - Scope of Work: Annual Comprehensive Financial Report
  - Date of Service: Fiscal years ended June 30, 2015 - Present
  - Engagement Partner: Ahmed Badawi (2015 – 2019), Mitesh Desai (2020 - Present)
  - Address: 9257 Elk Grove Boulevard, Elk Grove, CA 95624
  - Principal Contact:  
Mr. Patrick Lee  
Finance Manager / Treasurer  
(916) 685-3556  
[plee@egwd.org](mailto:plee@egwd.org)
- 2) Solano County Water Agency
  - Scope of Work: Annual Comprehensive Financial Report
  - Date of Service: Fiscal years ended June 30, 2020 - Present
  - Engagement Partner: Ahmed Badawi
  - Address: 810 Vaca Valley Parkway, Suite 203, Vacaville, CA 95688
  - Principal Contact:  
Mr. Roland Sanford  
General Manager  
(707) 455-1103  
[rсанford@scwa2.com](mailto:rсанford@scwa2.com)
- 3) Hayward Area Recreation and Park District
  - Scope of Work: Annual Financial Report, Measure F1
  - Date of Service: Fiscal years ended June 30, 2017 - Present
  - Engagement Partner: Ahmed Badawi
  - Address: 1099 E Street, Hayward, CA 94541
  - Principal Contact:  
Ms. Janelle Cameron  
Administrative Services Director  
(510) 881-6707  
[camj@haywardrec.org](mailto:camj@haywardrec.org)
- 4) Port of San Luis Harbor District
  - Scope of Work: Annual Comprehensive Financial Report, SAS114.
  - Date of Service: Fiscal years ended June 30, 2017 - Present
  - Engagement Partner: Ahmed Badawi (2017 – 2018), Mitesh Desai (2020 - Present)
  - Address: 3950 Avila Beach Drive, Avila Beach, CA 93424
  - Principal Contact:  
Ms. Kristen Stout  
Business Manager  
(805) 595-5413  
[kristens@portsanluis.com](mailto:kristens@portsanluis.com)
- 5) Southern Marin Fire Protection District
  - Scope of Work: Annual Financial Report, SAS114, SAS115
  - Date of Service: Fiscal years ended June 30, 2020 - Present
  - Engagement Partner: Ahmed Badawi
  - Address: 28 Libertyship Way, Suite 2800, Sausalito, CA 94965
  - Principal Contact:  
Ms. Alyssa Schiffmann  
Finance Manager  
(415) 388-8182  
[aschiffmann@smfd.org](mailto:aschiffmann@smfd.org)