

July 29, 2022

Marin Emergency Radio Authority
Attn: Heather Plamondon, Executive Officer
95 Rowland Way
Novato, CA 94945
hplamondon@rgs.ca.gov

Dear Ms. Plamondon:

We are pleased to enclose and electronic copy of our Technical Proposal to provide Professional Auditing Services for the Marin Emergency Radio Authority for the years ending June 30, 2022 through 2024 with the option of extending (3) three additional one-year periods.

Yours very truly,



David M. Alvey, CPA
Audit Partner/Shareholder

DMA:saa

Enclosures

PROFESSIONAL
AUDITING
SERVICES
PROPOSAL
July 29, 2022

PREPARED FOR



Marin Emergency Radio Authority
Attn: Heather Plamondon, Executive Officer
95 Rowland Way
Novato, CA 94945

David M. Alvey, CPA
3478 Buskirk Ave, Ste 215
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davida@mazeassociates.com

M **MAZE**
& ASSOCIATES

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**MARIN EMERGENCY RADIO AUTHORITY
PROFESSIONAL AUDITING SERVICES PROPOSAL**

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July 29, 2022

Marin Emergency Radio Authority
Attn: Heather Plamondon, Executive Officer
95 Rowland Way
Novato, CA 94945
hplamondon@rgs.ca.gov

Dear Ms. Plamondon:

We appreciate this opportunity to submit our proposal to provide professional audit services for the Marin Emergency Radio Authority (Authority). We understand we will audit the Authority's Basic Financial Statements for the fiscal years ending June 30, 2022 through 2024 with the option of extending (3) three additional one-year periods. We will also perform the services related to Measure A.

We are quite certain we are the most qualified firm to be your independent accountants. As our founder, Scott Maze, first coined over forty years ago, *"We are in Business to Help Our Clients Succeed!"* Since that time, we have rigorously employed this philosophy along with our commitment to continual improvement. Our clients know from experience we employ a variety of techniques, technologies and strategies to maximize effective and efficient audits without shifting our work onto our client's staff. We've summarized these techniques, technologies and strategies below and explained them in more depth in our proposal.

- **We are the best-known regional municipal audit firm in Northern California.** Our firm has been in business over 40 years, and over that time, we have achieved national recognition with the consistently high quality of our work and with our leadership on issues such as GASB Statements 34, 68 and 75, and internal control enhancement. We frequently speak at CSMFO and CSDA events and webinars.
- **Municipal auditing is our main business.** Our clients presently include a total of over one hundred municipal entities, including many Authorities the size of Marin Emergency Radio Authority.
- **Our Partners are actively involved** in planning, conducting and completing the audit in our client's offices, and our Partners are available when you need them. We resolve issues on the spot while the audit is going on.
- **When our partners communicate with Boards and Committees, their knowledge is based on detailed specifics,** not information which has been filtered through several layers of review.
- We have a long-term track record of client retention beyond our client's original contract terms because of the quality of our service.
- We are properly licensed to practice in California.

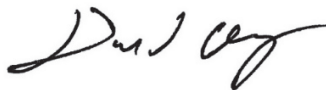
- Our fee includes one free day of live training. Starting in 2016, we implemented the annual Maze Live training. Past classes included topics such as year two of GASB Statement 68, GASB Update, Implementation of GASB Statements 74 and 75, Fraud Environment, Cybersecurity and Single Audit under Uniform Guidance. Future classes will focus on similar topics as well as the information to prepare for the implementation of GASB Statement 87.
- With our qualified information systems staff, **we have developed and employ a number of technologies to streamline our audit process, ensure open channels of communication and data transfer while ensuring security and confidentiality of client data.** These technologies include paperless audit workpapers, and a major upgrade of our “electronic transfer of data” technique eliminating manual financial statement inputs and maximizing easy to use financial rollup reports.
- Our **Closing Checklists** help you prepare in advance for both our interim and year-end audits. These Checklists do away with last-minute requests for schedules and analyses at year-end and help identify potential problems early in the process. We will coordinate them with the work papers you are already preparing, so **you don’t have to prepare workpapers only for the auditors.**
- We have one in Pleasant Hill, and employ approximately 60 people. This allows for smooth communication, and reduces delays other firms experience when having to deal with multiple offices for quality assurance and report generation and production.
- We do our best not to change staffing from year to year and from interim to final unless the Authority requests a change.
- We are a Small Business Enterprise (Certification ID 38671) as defined by the California Department of General Services

As with all our audits, we are committed to providing timely, quality audit services to Marin Emergency Radio Authority. We have no doubt that we are the firm best qualified to perform the services described in the request for proposal. After you have analyzed our proposal and - most important - talked with our references, we are quite confident you will agree.

David M. Alvey Vice President (davida@mazeassociates.com), and Vikki C. Rodriguez , Vice President (vikr@mazeassociates.com), are authorized to represent, sign for and contractually obligate Maze & Associates, a Professional Corporation, located at 3478 Buskirk Avenue, Suite 215, Pleasant Hill, CA, 94523, (925) 930-0902. The proposal is a firm and irrevocable offer for 90 days.

We look forward to the opportunity to provide quality audit services for Marin Emergency Radio Authority!

Yours very truly,



David M. Alvey, CPA
Audit Partner

DMA:saa

FIRM QUALIFICATIONS AND EXPERIENCE

Firm Profile

We are a professional services corporation located in Pleasant Hill, California. We presently have a total of approximately 60 employees, including seven shareholders, two Directors, three Managers, eleven Supervisors and many more Audit Associates and Tax/Office Staff. Fifteen (15) of our professional staff are California Certified Public Accountants and two additional staff are in the process of completing their applications for licensure. Forty-two (42) of our professional staff comprise our governmental audit staff, as our firm's emphasis is on governmental auditing and accounting. Several of our professional staff have national accounting firm experience, which we have blended with the more personal approach of a smaller firm.

The majority of our clients are cities, special districts, or other municipal entities and we do this work twelve months of the year. We limit our practice in other areas and focus on being the best municipal audit firm in Northern California. Our clients include several special districts similar to the Authority in size. Our audit strategy is tailored to municipalities and is quite different from the traditional approach adapted from commercial clients by general practice accounting firms.

We have focused on municipalities since our inception in 1986. We are active in GFOA, CSMFO, CSDA, CalCPA and CMTA, and our Partners have been speakers at many GFOA, CSMFO, CSDA and CMTA functions.

License To Practice In California

We are properly licensed California Certified Public Accountants. We are members of the Government Finance Officers Association (GFOA) and the California Society of Municipal Finance Officers (CSMFO) as well as the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants.

Independence

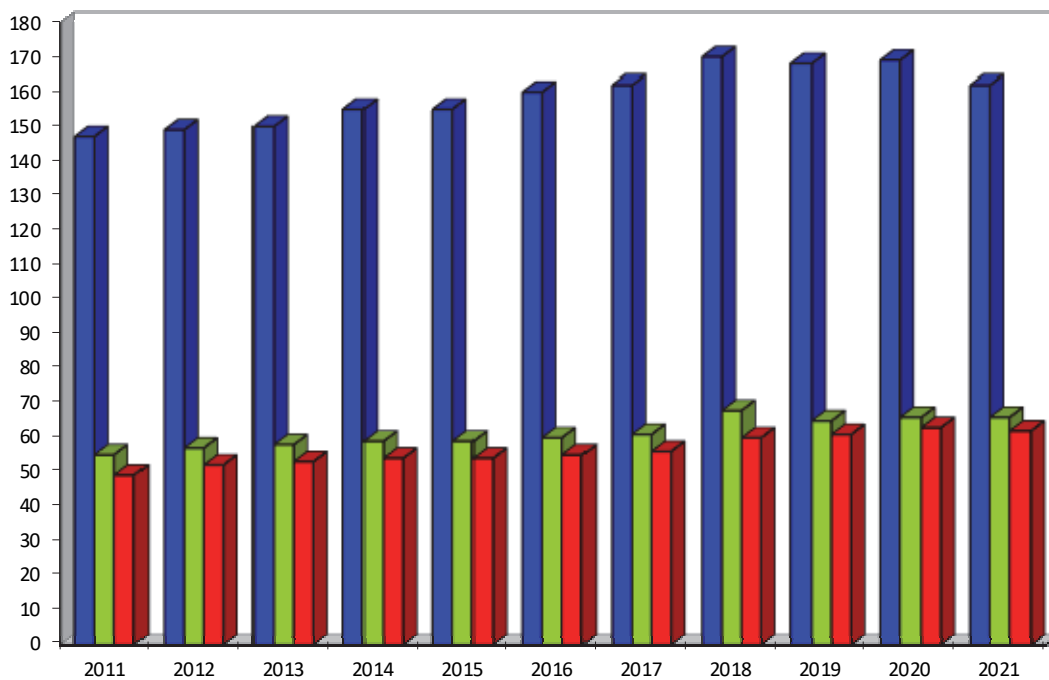
Our firm and all our partners and employees are independent of the Marin Emergency Radio Authority as that term is defined by the General Accountability Office's *Government Auditing Standards*, the American Institute of Certified Public Accountants, the California Society of Certified Public Accountants and the California State Board of Accountancy. We have no present or past professional relationships with the Authority or any of its Board members or employees that would compromise our independence.

FIRM QUALIFICATIONS AND EXPERIENCE (Continued)

We are in business to help our clients succeed. We help you use the ever-growing tangle of accounting rules properly, but to your best advantage, by helping you keep out of trouble and helping you do the right thing. We stay in touch throughout the year to keep you abreast of municipal accounting developments and to help you avoid problems, instead of coming in afterwards to assess the damage. We rotate our audit emphasis based on our planning meetings with you as well as our fraud and audit planning discussions with Board members, so areas that concern you can be addressed as a normal part of the audit at no extra cost.

Experience

Our practice includes over fifty city and town clients and more than fifty special districts, including over forty city and special district ACFR award winners—more award winners than any other Northern California accounting firm or international firm branch office. Included in those totals are six award-winning Special District ACFRs. Eighty percent of our practice is municipal auditing, accounting and consulting, continuing throughout the entire year. Our growth can be seen in the graph below, which shows the growth in the number of our total municipal entity clients in blue, City audit clients in green and ACFR award winners in red.



Every one of the above ACFRs won awards from GFOA and/or CSMFO.

As you can see from the client list in the Firm Qualifications and Experience – City and Town Clients Section below we have a winning combination that has resulted in **strong client loyalty and retention**. Several clients who left have returned after seeing the difference between our firm and our competitors. **Others have remained our clients after completing a full-blown proposal process**, most recently Cities of Belmont, Hayward, Milpitas, Moraga, Oakley, Pittsburg, Santa Clara, South San Francisco and Sutter Creek.

FIRM QUALIFICATIONS AND EXPERIENCE (Continued)

Significant Special District Audit Engagements

The chart below shows our most recent experience with District and Authority audits. We are or were responsible for all phases of work for these entities.

Special Districts and Authority Clients	1st Year	Compliance Requirements	Single Audit/ Special Report
FINANCING			
Association of Bay Area Governments FAN	1997	X	
City of Rancho Cordova Financing Authority	2009	X	
Concord Joint Powers Financing Authority	1992	X	
Governments of Livermore Financing Authority	1991	X	
Hayward Public Financing Authority	1996	X	
Manteca Financing Authority	1991	X	
Milpitas Public Financing Authority	1995	X	
Palo Alto Public Financing Corporation	1998	X	
Richmond Joint Powers Financing Authority	2005	X	
HOUSING			
Napa Valley Housing Authority	2000	X	X
Napa Housing Authority	2000	X	X
Richmond Housing Authority	2005	X	X
Suisun Housing Authority	2007	X	X
Vallejo Housing Authority	2004	X	X
PUBLIC SAFETY			
Belmont Fire Protection District	1998		X
East Contra Costa Fire Protection District	2011		
Menlo Park Fire Protection District	2009		X
Net Six Joint Powers Authority (Dispatch services)	1998	X	
Novato Fire Protection District	2013		
Rodeo-Hercules Fire Protection District	2009		X
Ross Valley Fire Department	2013		
Ross Valley Paramedic Authority	1991	X	
San Mateo Pre-Hospital Emergency Svcs. Providers Group	2000	X	X
San Ramon Valley Fire Protection District	2000	X	X
South County Fire Authority	1998	X	X
South San Mateo Police Joint Powers Authority	2000	X	
Twin Cities Police Authority	1991	X	
RECREATION AND OTHER			
Association of Bay Area Governments	1997	X	X
Contra Costa Mosquito and Vector Control District	2008		
East Bay Regional Park District	1987	X	X
Livermore Area Recreation and Park District	1989	X	X
Manteca Recreational Facilities Authority	1986	X	
Marin-Sonoma Mosquito and Vector Control District	2013		
Silicon Valley Animal Control Authority	2001		
West Contra Costa Integrated Waste Management Authority	2019		
RISK MANAGEMENT			
Association of California Water Agencies JPIA	2009		
Association of Bay Area Governments PLAN	1997		
Association of Bay Area Governments SHARP	1997		
California Joint Powers Risk Management Authority	1993		
Redwood Empire Municipal Insurance Fund	2013		
Small Cities Organized Risk Effort	2009		

FIRM QUALIFICATIONS AND EXPERIENCE (Continued)

Significant Special District Audit Engagements (Continued)

TRANSPORTATION			
Alameda Contra Costa County Transit Authority	2010	X	X
Alameda County Transportation Improvement Authority	2010	X	X
City/County Association of Governments	2005	X	X
Contra Costa Transportation Authority	2003	X	X
Eastern Contra Costa Transit Authority	2012	X	X
Livermore/Amador Valley Transportation Authority	1994	X	X
Measure J Traffic Congestion Relief Agency (TRAFFIX)	2012		
Peninsula Corridor Joint Powers Board	2010	X	X
Peninsula Traffic Congestion Relief Alliance	2001	X	X
Ralston/Holly /Harbor Grade Separation Projects	1998	X	X
San Francisco Bay Area Water Emergency Transit Auth.	1997	X	X
San Mateo County Transit District	2010	X	X
San Mateo County Transportation Authority	2010	X	
Solano Transportation Authority	2004	X	X
Sonoma-Marin Area Rail Transit District (SMART)	2017	X	X
West Contra Costa Transportation Authority Commission	1995	X	
UTILITY			
Alameda Municipal Power	1990	X	
Bay Area Clean Water Agencies	2005		
Bethel Island Municipal Improvement District	2007		
Calaveras County Water District	2004		X
California Association of Sanitation Agencies (Non-profit)	2005		
Central Contra Costa Sanitary District	2013		
Coastside County Water District	1993	X	X
Contra Costa Water District	2002		X
Contra Costa Solid Waste Authority	1993	X	X
Diablo Water District	2014		
Dublin San Ramon Services District	1999	X	X
DSRSD/EBMUD Recycled Water Authority	2005		
East Bay Dischargers Authority	2015		
East Bay Municipal Utility District	2005	X	X
East Palo Alto Sanitary District	2013	X	
El Dorado Irrigation District	2007	X	X
Fairfield Suisun Sewer District	2000		
Freeport Regional Water Authority	2005		
Livermore-Amador Valley Water Management Agency	1987		X
Mid-Peninsula Water District	2006		
Novato Sanitary District	2013		X
Palo Alto Regional Water Quality Control Plant	1998	X	X
Placer County Water Authority	2005		X
Sacramento Suburban Water District	2020		
Santa Clara Valley Water District	2004		
Sausalito-Marin City Sanitary District	2011		
Silicon Valley Power	2012		
Skyline County Water District	1992		
Solano Irrigation District	2006		
South Bay System Authority	1998	X	
South Bay Transfer Station Authority	1997	X	
South San Joaquin Irrigation District	2004		
South Placer Wastewater Authority	2001	X	
Stanislaus Waste-to-Energy	2005		
Stinson Beach County Water District	2011	X	
Tri-Valley Wastewater Authority	1990		
Union Sanitary District	2000		
Upper Mokelumne River Watershed Authority	2005		
Vallejo Sanitation and Flood Control District	2016		
West Valley Sanitation District	2004		
Zone 7 Water Agency	2010	X	X

FIRM QUALIFICATIONS AND EXPERIENCE (Continued)

As you can see from the client lists above, we have a winning combination that has resulted in **strong client loyalty and retention**. **Several clients who left have returned after seeing the difference between our firm and our competitors**, most recently Dublin-San Ramon Services District, Livermore-Amador Valley Water Management Authority, Contra Costa Water District, and Benicia. **Others have gone through a full proposal process and retained us**.

Client Training and Professional Development

We can provide you with varying levels of training and professional development resources. We provide our semi-annual continuing education to our staff and have on occasion opened it up to our clients who wish to keep their licensees current. Our audit fee includes providing training and assistance with the implementation of applicable new GASB statements, at no additional charge. Depending upon the complexity of the GASB Statement requiring implementation, the assistance could take the form of free access to web-based training, one-on-one or group training, suggested footnote disclosure templates and/or Excel spreadsheet templates.

We have also developed and conducted training specifically for our clients. Training can be general theory in nature, semi-customized or fully customized training that fits your operations. Theory intensity can be at the beginning, intermediate and advanced levels. On occasion, we have provided our clients with shorter presentations of new pronouncements and other requirements. At the City of Richmond, for example, we developed and taught monthly training sessions on virtually every major finance area to its staff over a twelve-month period. Much of their staff had assumed new functions in the aftermath of serious staffing cuts several years ago and their Finance Director was seeking an economical method of enhancing their knowledge base and skill sets. At the Cities of Richmond, Livermore, El Cerrito and Belmont we provided grants management training to several departments as a means of solving coordination weaknesses.

In 2016, we launched Maze Live – this is a full day of training which is free to our clients and qualifies for continuing education credit. Past classes included topics such as year two of GASB 68, GASB update, Implementation of GASB Statements 74 and 75, Fraud Environment, Cybersecurity and Single Audit under Uniform Guidance. Future classes will focus on similar topics.

Professional Activities

We are active members of the Government Finance Officers Association and the California Society of Municipal Finance Officers as well as the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants. We are also a member of the Association of California Water Agencies (ACWA). We are frequent speakers at various organizations.

We attend CSMFO Northern California chapter meetings on a regular basis, and we have served as speakers on various occasions. We also attend the CSMFO Annual Conference, at which our Partners and IT Director have been speakers. We have also attended the League of California Cities' annual Financial Management Seminars.

FIRM QUALIFICATIONS AND EXPERIENCE (Continued)

Amy Meyer, Partner, and Katherine Yuen Krisch, Partner, serve on the Governmental Accounting and Auditing Committee of the California Society of CPAs. David Alvey, Partner, serves on the Accounting Procedures and Assurance Services Committee of CalCPA and the Professional Standards Committee of CSMFO. Amy Meyer and David Alvey are ACFR reviewers for the ACFR Award Program of the Government Finance Officers Association.

External Quality Control Review/Peer Review

We are members of the Quality Review Program of the AICPA, which means we subject ourselves to a peer review of our workpapers and quality control procedures every three years by independent accountants specializing in such work. **Our most recent peer review was completed in 2021; we again received a rating of pass, the highest level of assurance possible.** This peer review included a review of several governmental and non-profit audit engagements, including three Special Districts. A copy of our most recent peer review opinion is located at the end of this section.

We have not had any Federal or State desk review or field review during the past 3 years. In addition, there has not been any disciplinary action taken or pending against us with state regulatory bodies or professional organization during the past 3 years.



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Report on the Firm's System of Quality Control

February 9, 2021

To Maze & Associates Accountancy Corporation 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 Maze & Associates Accountancy Corporation (the firm) in effect for the year ended May 31, 2020. 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 a 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.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Maze & Associates Accountancy Corporation in effect for the year ended May 31, 2020, 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*. Maze & Associates Accountancy Corporation has received a peer review rating of *pass*.

Coughlan Napa CPA Company, Inc.

Coughlan Napa CPA Company, Inc.

PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

Audit Team

We are proposing to assign David Alvey, CPA as Engagement Partner, Vikki Rodriguez, CPA as Alternate/Technical Review Partner, and Julian Jauregui as the Supervisor. We have selected this team based on their extensive municipal experience.

We will balance out our resources with our Senior Associates and Associates to form fully leveraged teams. All of our audit staff are experienced with audits of Basic Financial Statements, enterprise operations, retirement plans, capital assets and infrastructure, long term debt, including swaps and related compliance and continuing disclosures, and all other aspects of municipal accounting and financial reporting.

Resumes of Staff Assigned to Your Audit



DAVID ALVEY, CPA, Engagement Partner – graduated from St Mary’s College, Moraga with a Bachelor of Science Degree in Accounting and a Minor in Business Administration. David has received **500 hours of continuing education in the past five years**. David has experience as an internal auditor at California Savings Bank in Oakland, CA. He is a Certified Public Accountant in the State of California. He is a member of the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants. He is also a member of the CalCPA Accounting Procedures and Assurance Services Committee and the CSMFO Professional Standards Committee. He is a frequent speaker at our annual training and recently taught a class of over 100 attendees on Fraud and GASB updates at the annual MazeLive client

training event. He has published articles with California Special District Association’s newspaper. He has received over 80 hours of continuing education for each of the past 3 year. His relevant experience includes:

Alameda County Mosquito Abatement District
Alameda County Transportation Authority
Alameda County Transportation Improvement Authority
Alameda-Contra Costa Transit District
City of American Canyon
American River Authority
Association of Bay Area Governments
Associated Community Action Program
Bay Area Clean Water Agencies
City of Benicia
City of American Canyon
Bethel Island Municipal Improvement District
Calaveras County Water District

City of Larkspur
City of Livermore
City of Los Altos
Town of Los Altos Hills
City of Manteca
Mid-Peninsula Water District
Middle Fork Project Finance Authority
Novato Fire Protection District
City of Napa
City of Oakley
Partners in School Innovation
City of Petaluma
City of Pittsburg
Placer County Water Authority

PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE (Continued)

David Alvey, CPA (Continued)

Castle Rock County Water District
Central Contra Costa Sanitary District
Central Market Community Benefit District
Citrus Heights Water District
Clausen House
Coastside County Water District
Contra Costa Water Financing Authority
Contra Costa Water District
Contra Costa Water District Retirement Plan
City of Cupertino
City of Daly City
City of Davis
Delta Diablo
Diablo Water District
East Contra Costa County Transit Authority
East Contra Costa Habitat Conservancy
East Contra Costa Fire Protection District
Dublin San Ramon Services District
East Bay Municipal Utilities District (EBMUD)
EBMUD Employee Retirement System
East Palo Alto Sanitary District
Education Pioneers
El Dorado County
El Dorado Irrigation District
City of Escalon
Fairfield-Suisun Sewer District
Freeport Regional Water Authority
City of Galt
City of Hayward
Kentfield Fire Protection
Livermore Amador Valley
Transportation Authority
City of Pleasant Hill
Regional Parks Foundation
Richmond Housing Authority
City of Rio Vista
City of Roseville
City of San Bruno
City of San Leandro
San Mateo Community College Foundation
San Mateo County Transportation Authority
Pajaro Valley Fire Protection District
San Mateo County Transit District
Santa Clara County Central
Fire Protection District
Santa Clara Valley Water District
Skyline County Water District
Solano Irrigation District
Solano Transportation Authority
Sonoma County Agricultural Preservation &
Open Space District
Sonoma-Marin Area Rail Transit
South San Joaquin Irrigation District
Southern Marin Fire Protection District
Stanislaus Waste to Energy
Stinson Beach County Water District
Stopwaste
City of Sunnyvale
Upper Mokelumne River Watershed Authority
Yolo Habitat Conservancy
Walnut Creek Chamber of Commerce
West Bay Sanitary District

PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE (Continued)



VIKKI C. RODRIGUEZ, CPA, Technical Review/Alternate Partner – Vikki graduated from San Diego State University where she received her Bachelor of Science Degree in Accounting with a Minor in English, and received her Master’s in Taxation at Golden Gate University in 2006. She is a Certified Public Accountant in the State of California. She is a member of the American Institute of Certified Public Accountants. Vikki spent a year and a half working as an accountant at the City of Daly City and her college years working part time for both municipal government and nonprofit organizations prior to joining the firm in 1998. Vikki has accumulated over 360 hours of continuing education in the past three years as an instructor, participant and student. She has attended many of the annual Nonprofit Organization Conferences held by the California CPA Foundation, as well as CSMFO conferences. Vikki has served as a member on several non-profit Boards and Audit Committees and is currently the Board President of the Center for Human Development. She has received over 80 hours of continuing education for each of the past 3 year. Her audit experience includes the following:

Special Districts

- | | |
|--|--|
| Alameda-Contra Costa Transit District | Livermore Amador Valley Transit Authority |
| Association of Bay Area Governments | Livermore Area Recreation & Park District |
| Alameda Municipal Power | Livermore Amador Valley Water Management Agency |
| Amador Regional Sanitation Agency | Marin-Sonoma Mosquito & Vector Control District |
| Bay Area Clean Water Agencies | Menlo Park Fire Protection District |
| Belvedere-Tiburon Library Agency | Mid-Peninsula Water District |
| Bethel Island Municipal Improvement District | Novato Sanitary District |
| Calaveras County Water District | Peninsula Corridor Joint Powers Board |
| Coastside County Water District | Rodeo-Hercules Fire Protection District |
| Contra Costa County Abandoned Vehicle Abatement Services Authority | San Francisco Bay Area Water Emergency Transit Authority |
| Contra Costa Mosquito & Vector Control District | San Mateo Transportation Authority |
| Contra Costa Transportation Authority | San Mateo County Transit Authority |
| Contra Costa Water District | Santa Clara Valley Animal Control Authority |
| Copperopolis Fire Protection District | Santa Clara Valley Water District |
| Delta Diablo Sanitation District | Silicon Valley Animal Control Authority |
| Diablo Water District | South San Joaquin Irrigation District |
| DSRSD/EBMUD Recycled Water Authority | Skyline County Water District |
| Dublin San Ramon Services District | Solano Transit Authority |
| East Bay Municipal Utility District | TRAFFIX |
| East Bay Dischargers Authority | Upper Mokelumne River Watershed Authority |
| East Palo Alto Sanitation District | West Bay Sanitary District |
| Eastern Contra Costa Transit Authority | West Contra Costa Integrated Management Authority |
| El Dorado Irrigation District | West Contra Costa Transportation Advisory Council |
| Fairfield Suisun Sewer District | West Valley Sanitation District |
| Freemont Regional Water Authority | |

PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE (Continued)

Vikki Rodriguez, CPA (Continued)

Cities

City of Alameda	City of Milpitas
City of American Canyon	Town of Moraga
City of Belmont	City of Newark
City of Belvedere	City of Palo Alto
City of Benicia	City of Petaluma
City of Cupertino	City of Pittsburg
City of Daly City	City of Pleasant Hill
City of El Cerrito	City of Pleasanton
City of Emeryville	City of Rio Vista
Town of Fairfax	City of San Carlos
City of Half Moon Bay	City of San Pablo
City of Hayward	City of San Rafael
City of Larkspur	City of Suisun City
City of Livermore	City of Sutter Creek
City of Los Banos	City of San Mateo
Town of Los Altos Hills	City of South Lake Tahoe
Town of Los Gatos	City of Tracy
City of Manteca	City of Visalia
City of Martinez	



Julian Jauregui, Supervisor – graduated from San Francisco State University in 2018 with a Bachelor of Science in Business Administration. Julian’s audit experience includes:

Alameda County Transportation District	City of Oakley
Alameda County Mosquito Abatement District	City of Orinda
City of Alameda	City of Pacifica
City of Belmont	Pajaro Valley Fire Protection District
City of Benicia	City of Petaluma
City of Brentwood	City of Pittsburg
City of Brisbane	Town of Portola Valley
Contra Costa Water District	City of Redwood City

PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE (Continued)

Julian Jauregui (Continued)

City of Concord	Richmond Housing Authority
City of Daly City	City of Richmond
City of Davis	Ross Valley Fire Department
Dublin San Ramon Water District	City of San Bruno
East Bay Municipal Utility District	City of San Leandro
East Contra Costa Fire Protection District	City of San Pablo
El Dorado County	City of San Rafael
City of Hayward	City of Santa Clara
Kentfield Fire Protection District	City of Sausalito
City of Lafayette	Sonoma Marin Area Rail Transit
City of Lathrop	City of South San Francisco
Livermore Amador Valley Transit Authority	South San Joaquin Irrigation District
City of Livermore	City of Tracy
City of Los Altos	Tri-Dam Power Authority
City of Martinez	East Contra Costa Transit Authority
City of Manteca	City of Turlock
City of Mill Valley	City of Vallejo
City of Milpitas	City of Watsonville
Marin Municipal Water District	

SPECIFIC AUDIT APPROACH

Specific Audit Strategy – Interim

Unlike older-style firms, **we perform most of our important work at interim**, well before the end of the fiscal year. We use our interim work to identify and solve problems and plan the year-end closing and audit in detail. Well before we begin our interim work, we will send you a list of the items we need, so you will have time to prepare. During this phase we will do our detailed sample testing for disbursements, payroll and journal entries. We will also use this time to start to draft pension and OPEB footnotes.

We forecast many year-end amounts at interim, so that we can limit the amount of work required at year-end and concentrate instead on areas of concern. For example, we normally perform all our cash and investment testing at interim, including sending confirmation letters to depositories and determining financial statement categorizations. Performing these last two steps at interim allows plenty of time to follow up on confirmations or resolve questions about the proper categorization of an investment without delaying the audit. As another example, we test long-term debt at interim and forecast year-end balances and transactions for each debt issue.

SPECIFIC AUDIT APPROACH (Continued)

We use **remote inquiry** as much as possible at interim, in order to increase our efficiency and reduce our impact on your staff. We can download Board minutes and other documents from your website for review. Combining these abilities with our checklists has allowed us to perform larger portions of the audit in our own offices and reduce our questions to writing so that you have more time to deal with them.

Specific Audit Strategy – Analytical Procedures and Year End

At year-end we do not repeat any of the work we performed at interim. Instead, we focus on the items in your Audit Plan and on the Basic Financial Statements. Our Engagement Partner and Supervisor will meet with you on the first day of the year-end audit to review the status of the year-end closing and to determine if modifications to our year-end approach are needed. This meeting sets the stage for the year-end audit; by this time the format and content of the financial statements is pretty well set and most audit adjustments have been identified. If we find any material adjustments, we will discuss them with you immediately and provide you with the journal entries required; we do not propose adjustments that are not material.

At the conclusion of our year-end work, our Engagement Partner and Supervisor, will review the Authority's financial statement drafts and provide feedbacks. Once the final financial statements draft is ready, a second partner not involved with the audit will perform a "quality assurance review" of the financial statements and workpapers so that we will be ready to sign the financial statement opinions as soon as possible.

You will find our strategy allows you to control the audit process, enables you to spread the work over the year as you wish and greatly reduces the pressure at year end.

Local Expertise and Resources

Our expertise and resources are local which provides our clients with timely on-the-spot responses to issues and questions as they arise. Our Audit Supervisors are on site daily while the audit team is in the field. Our Engagement Partner is frequently checking on progress, discussing and resolving issues with the Audit Team, as well as meeting with our client as needed. In cases of highly complex operations or unusual issues, our Technical Review Partner is brought out to meet with the audit team and provide technical support, consultation and participate in meetings with our clients as needed. With all our resources available locally, our clients are assured of in depth, timely audits and expedient resolutions to questions and issues as they arise.

System Controls, Transaction Cycle Processing Verification and Sample Sizes

With any data processing system upon which we intend to rely as a means of reducing substantive testing, we perform a variety of tests to verify the accuracy of transaction processing, the reliability of system control points and authorization controls, appropriateness of profile structures including Super-user rights access, and automated functionality such as sub-ledger integration and auto-journal entry validity and set up controls.

SPECIFIC AUDIT APPROACH (Continued)

Gaining an understanding of the design of relevant procedures, controls and authorization levels is integrated with our risk assessment procedures discussed under the ***Client Tailored Risk Assessment*** section below. As part of our risk assessment process we identify those transaction cycles we intend to rely on. Both processing procedures and controls that are to be relied on are tested with our audits.

Transaction cycle processing and control tests typically involve sampling techniques. Most of our transaction samples are selected and tested during the interim portion of our work. Each sample will run from twenty-five to sixty transactions in size. We use interval and judgment sampling techniques with a high degree of stratification. Most municipalities operate more than one major revenue system. Therefore, we typically determine which revenue transactions are processed with common procedures and controls and deem that to be a single population and subject it to a single sample. Other revenue cycles processed with separate controls are tested with their own samples. For example, it is common for separate samples to be selected for governmental receipts and each major enterprise fund. Transaction cycles we sample are dependent on materiality to each client's financial statements but typically include, payroll, disbursements, receipts, loans receivable, investments and budget transactions and in accordance with the requirements of Statement of Auditing Standards #99 we also sample journal entries. Samples from each grant audit or major federal award program are also made. Samples are triple purpose samples and we test for correct recording, compliance with applicable policy or regulation and key control attributes – both manual and automated. This includes verification of sub-ledger integration and auto-journal entry validity, if needed.

Assessing Risks – Interim Phase

Beginning with fiscal year 2007-2008 audits, a new set of Statements of Auditing Standards became effective and required that most auditors change the way they audit. Much of this new guidance came out of the aftermath of highly publicized audit failures such as Enron, Global Crossings and the like. The Statements make it clear that a generalized one-size-fits all audit approach will not be permitted. An audit must be based on a unique audit strategy customized to fit each client and its industry.

The primary objective of these Standards is to require the auditor's application of an audit risk model. The concept is that a set of financial statements should be evaluated for the underlying risks of material misstatement. Then, a customized audit should be tailored to test for misstatements and verify that controls are designed and in place to prevent and detect misstatements.

We have consistently employed a risk-based concept from our firm's inception. Our audit checklists and programs were originated by reference to *Audits of Local Governments* published by the Practioners' Publishing Company (PPC), a third-party vendor specializing in producing audit guides for unique industries. But we have not simply used their guide as our approach. We have customized it further for the simple reason that California municipalities have many unique risks not faced by municipalities in other states. As you know, California state law and applicable regulations cover a wide variety of areas such as cash and investment management, redevelopment compliance, transportation development act programs, and child development programs. Indeed, even revenues of California municipalities are unusual and complex such as the past Triple Flip and Proposition 1A securitization.

SPECIFIC AUDIT APPROACH (Continued)

Our primary objective in an audit of each client's financial statements is to opine on whether the financial statements, including disclosures, are free of material misstatement. Our opinion must be based on sufficient, appropriate audit evidence that we obtain, and this evidence must be documented. To achieve this objective, we further refine our approach to be responsive to each individual audit. We may reduce the scope of our substantive audit tests provided we conclude there are effective specific controls in place which would detect and correct misstatements due to errors or fraud.

Client Tailored Risk Assessment

Our strategy to assessing risk begins with a brainstorming session of our audit team where they review your prior year financial statements and operations to identify areas of major audit risk. We also incorporate our consideration of other factors such as the risk of fraud, the economy, regulatory complexities or changes, credit market conditions and others into our initial assessment. We may also compare unusual transactions and estimates to those used by other municipalities or to current trends and issues. Since we are a niche firm specializing in California municipalities this is relatively easy. For example, certain development agreements are unique to municipalities. These agreements usually contain complex financial transactions and legal restrictions. With so much experience in this area we can quickly design an efficient response to these risks.

Major audit risks are further evaluated through consideration of relevant assertions to determine inherent risk due to error or fraud. For example, cash on hand has a relative higher inherent risk of loss due to theft than an infrastructure asset. High and medium inherent risk audit areas are further evaluated to determine relevant internal controls needed to prevent, detect and correct errors or fraud.

We start our evaluation of your internal controls by interviewing staff and meeting with Department heads as needed. We review policies and procedure manuals and other documentation to determine the design of procedures and controls. As part of our evaluations we document narrative memoranda outlining the duties of each pertinent person as well as our GRID evaluation of the important nexus control points. The GRID is our own design; it is a two-axis chart we use to identify potential conflicts of duties in your controls. We enhance our evaluation by reviewing system profile reports, paying special attention to super-user rights. This data is then used to determine the presence or absence of compensating controls designed to mitigate conflicts of duties vested in a single individual.

We then test to verify that procedures and controls are operating effectively such that they reduce the risk that errors or fraud could occur and go undetected and uncorrected. We use a variety of techniques to verify controls are effective including: sampling, observation, documentation of reviews, examining system access reports and comparisons with other data.

After this has been completed, we assess the risk of material misstatement which is determined by the relative inherent risk of an area and the associated control risk to plan our substantive tests. That is, the risk that controls are not in place or are not operating effectively. Areas with a low risk of material misstatement assessment may receive limited substantive procedures while those with a high risk of material misstatement will receive significant substantive procedures.

SPECIFIC AUDIT APPROACH (Continued)

We then design our final phase audit plan to ensure we obtain sufficient appropriate evidence about the financial statements and disclosures. Specific audit procedures are developed and documented in our audit programs and we develop potential internal control points for further evaluation as to significance and communicate those to staff.

Assessing Risks – Final Phase

Although the majority of our evaluations and testing of internal controls is completed with our interim testing, it is during the final phase that actual year end balances, transactions and disclosures are known, and our substantive procedures are employed. These procedures and data often reveal unusual or unexpected results that must be considered in the risk assessment process. Risk assessment processes are iterative and cumulative. That is, we must continually re-evaluate our assessments based on information and procedures gathered. It is not uncommon for an initial assessment and the corresponding substantive audit work to be restructured as a result of new data. Indeed, it is the intent of current audit standards that the audit be responsive to risks.

Our substantive procedures are selected to be responsive to the assessed risk and relevant assertion and typically involve analytical procedures, third-party confirmation, estimation techniques, mini-max tests, trend analyses, recomputations, corroboration with other tests, tests in total, sampling and comparisons to data gathered in other municipal audits.

Risk assessment procedures would be incomplete without an evaluation of the adequacy of our evidence obtained including internal control tests, any significant deficiencies or material weaknesses and substantive test results. **These factors are considered prior to the release of our opinion in a final re-assessment process that includes our quality assurance review.**

Communication and Coordination

We will meet with you at the start of each phase of work and conduct an exit conference at the end of each phase of work. This will ensure you know everything we do, with plenty of time to address any issues.

Two key objectives for a well-run audit are to ensure timely communication of the audit results and to provide for seamless coordination of the external auditors with staff. The concept is virtually identical to our Accounting Issues Memorandum and detailed Interim and Closing Checklists that we typically prepare for our clients.

The Accounting Issues Memorandum concept was originated by one of our staff over two decades ago to function as a partner's brief of an engagement's status. It worked so well we expanded it to all our audits and share it with our clients. It has proven to be an indispensable communication and coordination tool ever since. This informal memo condenses and summarizes the audit status and issues as of the end of our interim work. It includes housekeeping matters, major and minor potential findings, scheduled audit fieldwork start and finish dates, etc. We produce this memo right in your office before the conclusion of our interim work, so you have an idea of what we've found so far and whether there are areas that need work.

SPECIFIC AUDIT APPROACH (Continued)

Our Memorandum on Internal Control is drafted at year-end and may include significant issues raised with our interim phase Accounting Issues Memorandum as well as issues arising from our year-end work. We review a draft with you, so that you will have plenty of time to consider the facts and discuss our findings before the audit results are presented to the Board and Finance Committee.

Segmented Time

Audit Activities	Budgeted Hours					Total
	Engagement Partner	Alternate Partner	Supervisor	Associates	Office	
General Procedures/Planning/Confirm/Checklists	1.00		4.00			5.00
SAS #99 Fraud Assessment	0.50		0.50	0.50		1.50
Minutes-resolutions			2.00			2.00
Report	3.00	1.00	8.00		3.00	15.00
Supervision/review	4.00		16.00			20.00
Conferences & meetings	2.00		2.00			4.00
Management letter	0.50		1.00		1.00	2.50
Analytical review	0.50					0.50
Internal Control Environment / Info Systems Review				16.00		16.00
Cash & Investments				16.00		16.00
Revenue/Receivables				40.00		40.00
Capital Assets				24.00		24.00
Accounts Payable				16.00		16.00
Long Term Debt				32.00		32.00
Contract Services				16.00		16.00
Commitments			1.00			1.00
GRAND TOTAL (ACFR and Management Letter)	11.50	1.00	34.50	160.50	4.00	211.50

REFERENCES

References

Novato Fire Protection District – A client since 2013

Address – 5 Rowland Way, Novato, CA 94945

Engagement Partner – David Alvey

Principal Contact – Joe Valenti, Finance Director (415) 878-2620

Work Scope & Reports

Annual Comprehensive Financial Report

Memorandum on Internal Control and Required Communications

Santa Clara County Central Fire Protection District – A client since 2017

Address – 14700 Winchester Blvd, Los Gatos, CA 95032

Engagement Partner – David Alvey

Principal Contact – Gerilyn Botting, Principal Financial Analyst/Accountant (408) 341-4483

Work Scope & Reports:

Annual Comprehensive Financial Report

Memorandum on Internal Control and Required Communications

Pajaro Valley Fire Protection District – A client since 2017

Address – 562 Casserly Road, Watsonville, CA 95076

Engagement Partner – David Alvey

Principal Contact – Sean Murray, Battalion Chief (831) 728-8290

Work Scope & Reports:

Basic Financial Statements

Memorandum on Internal Control and Required Communications

COST PROPOSAL

Maze & Associates Certification

David Alvey and Vikki Rodriguez are authorized to submit this proposal and negotiate and sign a contract with the Marin Emergency Radio Authority (Authority). Our offer is firm and irrevocable for a period of 90 days from the date of this proposal.

What Our Price Includes

Our price includes all the basic audit work and reports, statements and other deliverables specified in your request for proposal. Our price also includes the items below at **no additional cost**:

- 1) Year-round support and telephone consultation on pertinent issues affecting the Authority,
- 2) Copies of our journal entries and our leadsheets used to support the amounts in your financial statements,
- 3) **Free full day of training** at our annual MazeLive event,
- 4) Active Partner involvement in your work **every year**,
- 5) Our typed interim Accounting Issues Memorandum,
- 6) Overviews and summaries of upcoming pronouncements and regulation affecting the audited financial statements.
- 7) Direct dump of general ledger data into our ProSystems trial balance software which is fully linked to financial statement formats.

Total All Inclusive Maximum Price

	Hours (2)	Hourly Rates (3)	Optional Extensions							Total
			2022	2023	2024	2025	2026	2027		
Basic Financial Statements (BFS) & Management Letter:										
Partner	13	\$300	\$3,800	\$3,900	\$4,000	\$4,100	\$4,200	\$4,300		\$20,000
Supervisor	35	130	4,500	4,600	4,700	4,900	5,100	5,300		23,800
Associates	161	90	14,400	14,900	15,400	15,900	16,400	16,900		77,000
Office	4	70	300	300	300	300	300	300		1,500
BFS & Management Letter:	212		<u>23,000</u>	<u>23,700</u>	<u>24,400</u>	<u>25,200</u>	<u>26,000</u>	<u>26,800</u>		<u>122,300</u>
Out-of-pocket expenses (1)			<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		<u>0</u>
Other										
Measure A Compliance			<u>7,000</u>	<u>7,200</u>	<u>7,400</u>	<u>7,600</u>	<u>7,800</u>	<u>8,100</u>		<u>37,000</u>
Total all-inclusive maximum price:			<u><u>\$30,000</u></u>	<u><u>\$30,900</u></u>	<u><u>\$31,800</u></u>	<u><u>\$32,800</u></u>	<u><u>\$33,800</u></u>	<u><u>\$34,900</u></u>		<u><u>\$159,300</u></u>

NOTES:

(1) Out-of-pocket expenses are included in our standard hourly rate.

(2) Estimated hours are expected to remain constant.

(3) The hourly rates can be used for any additional work the District may request that would be outside the scope of the audit engagement.

It is our understanding that the Authority does not currently anticipate the need for a Single Audit. If the Authority requires a Single Audit, our fee for auditing one major program would be \$4,000 for the first major program and \$2,000 for each additional major program.

COST PROPOSAL (Continued)

Fees and Billings

Progress billings will be made on the pro-rated audit work completed during the course of the engagement. Our fees are firm fixed prices. In determining our fees, we understand that the Authority's records will be in condition to be audited; that is, transactions will be properly recorded in the general ledger and subsidiary records, these accounting records and the original source documents will be readily available to use, we will be furnished with copies of bank reconciliations and other reconciliations and analyses prepared by the Authority and Authority personnel will be reasonably available to explain procedures, prepare audit correspondence and obtain files and records.

We do not post separate rate structures for municipal audit work. We view this work as being every bit as important and valuable as the work we perform for other clients and we put our best people on it. Any consulting work you request will be performed at the same rates as our audit work.