

AGREEMENT FOR PROFESSIONAL SERVICES BY INDEPENDENT CONTRACTOR

THIS AGREEMENT FOR PROFESSIONAL SERVICES BY INDEPENDENT CONTRACTOR is made and effective as of the 4th day of March, 2025, by and between the CITY OF BEAUMONT (“CITY”) whose address is 550 E. 6th Street, Beaumont, California 92223 and, ROGERS ANDERSON MALODY & SCOTT LLP, whose address is 735 E. Carnegie Drive, Suite 100 San Bernardino, CA 92408 (“CONTRACTOR”).

RECITALS

This Agreement is entered into on the basis of the following facts, understandings and intentions of the parties to this Agreement:

A. CITY desires to engage CONTRACTOR to provide Financial Auditing services; and

B. CONTRACTOR has made a proposal (“Proposal”) to the CITY to provide such professional services, which Proposal is attached hereto as Exhibit “B” and incorporated herein by this reference; and

C. CONTRACTOR agrees to provide such services pursuant to, and in accordance with, the terms and conditions of this Agreement, and represents and warrants to CITY that CONTRACTOR possesses the necessary skills, licenses, certifications, qualifications, personnel and equipment to provide such services.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals and mutual covenants contained herein, CITY and CONTRACTOR agree as follows:

1. Term of Agreement. This Agreement is effective as of the date first above written and shall continue until terminated as provided for herein. Notwithstanding anything in this Agreement to the contrary, this Agreement shall continue for five (5) years, with an option to extend for one (1) one-year period by the parties with the approval of the of the City Council of the CITY.

2. Services to be Performed. CONTRACTOR agrees to provide the services (“Services”) per Exhibit “B”. All Services shall be performed in the manner and according to the timeframe set forth in the Proposal. CONTRACTOR designates Scott Manno as CONTRACTOR’S professional(s) responsible for overseeing the Services provided by CONTRACTOR.

3. Associates and Subcontractors. CONTRACTOR may, at CONTRACTOR’S sole cost and expense, employ such competent and qualified independent associates, subcontractors and consultants as CONTRACTOR deems necessary to perform the Services; provided, however, that CONTRACTOR shall not subcontract any of the Services without the written consent of CITY.

4. Compensation.

4.01 CONTRACTOR shall be paid at the rates set forth in the Proposal and shall not increase any rate without the prior written consent of the CITY. Notwithstanding anything in this Agreement to the contrary, total fees and charges paid by CITY to CONTRACTOR under this Agreement shall not exceed Three Hundred Thirty-Seven thousand One Hundred and Twenty-five dollars (\$337,125).

4.02 CONTRACTOR shall not be compensated for any Services rendered nor reimbursed for any expenses incurred in excess of those authorized unless approved in advance by the CITY, in writing.

4.03 CONTRACTOR shall submit to CITY, on or before the fifteenth (15th) of each month, itemized invoices for the Services rendered in the previous month. The CITY shall not be obligated to pay any invoice that is submitted more than sixty (60) days after the due date of such invoice. CITY shall have the right to review and audit all invoices prior to or after payment to CONTRACTOR. This review and audit may include, but not be limited to CITY's:

- a. Determination that any hourly fee charged is consistent with this Agreement's approved hourly rate schedule;
- b. Determination that the multiplication of the hours billed times the approved rate schedule dollars is correct;
- c. Determination that each item charged is the usual, customary, and reasonable charge for the particular item. If CITY determines an item charged is greater than usual, customary, or reasonable, or is duplicative, ambiguous, excessive, or inappropriate, CITY shall either return the bill to CONTRACTOR with a request for explanation or adjust the payment accordingly, and give notice to CONTRACTOR of the adjustment.

4.04 CONTRACTOR shall receive payment by the CITY for the services provided as specified in Exhibit "B".

- a. CONTRACTOR shall submit all invoices to the City of Beaumont's Accounts Payable at the email address listed below.

- b. CONTRACTOR will send the original invoices to:
City of Beaumont
Attn: Finance Department-Accounts Payable
at
ap@beaumontca.gov

- c. Each invoice shall contain a minimum of the following information: invoice number and date; PO number (once issued by the CITY), remittance address; bill-to and ship-to addresses of ordering department/division; Agreement number (24-118), quantities; item descriptions, unit prices, extensions, sales/use tax if applicable, an invoice total, and any other

information requested by the County.

4.04 If the work is satisfactorily completed, CITY shall pay such invoice within thirty (30) days of its receipt. Should CITY dispute any portion of any invoice, CITY shall pay the undisputed portion within the time stated above, and at the same time advise CONTRACTOR in writing of the disputed portion.

5. Obligations of CONTRACTOR.

5.01 CONTRACTOR agrees to perform all Services in accordance with the terms and conditions of this Agreement and the Proposal. In the event that the terms of the Proposal shall conflict with the terms of this Agreement or contain additional terms that purport to bind the CITY other than the Services to be rendered and the price for the Services, the terms of this Agreement shall govern and said additional or conflicting terms shall be of no force or effect.

5.02 Except as otherwise agreed by the parties, CONTRACTOR will supply all personnel, materials and equipment required to perform the Services. CONTRACTOR shall provide its own offices, telephones, vehicles and computers and set its own work hours. CONTRACTOR will determine the method, details, and means of performing the Services under this Agreement.

5.03 CONTRACTOR shall keep CITY informed as to the progress of the Services by means of regular and frequent consultations. Additionally, when requested by CITY, CONTRACTOR shall prepare written status reports.

5.04 CONTRACTOR is responsible for paying, when due, all income and other taxes, fees and withholding, including withholding state and federal taxes, social security, unemployment and worker's compensation, incurred as a result of the compensation paid under this Agreement. CONTRACTOR agrees to indemnify, defend and hold harmless CITY for any claims, costs, losses, fees, penalties, interest, or damages suffered by CITY resulting from CONTRACTOR's failure to comply with this provision.

5.05 In the event CONTRACTOR is required to prepare plans, drawings, specifications and/or estimates, the same shall be furnished in conformance with local, state and federal laws, rules and regulations.

5.06 CONTRACTOR represents that it possesses all required licenses necessary or applicable to the performance of Services under this Agreement and the Proposal and shall obtain and keep in full force and effect all permits and approvals required to perform the Services herein. In the event CITY is required to obtain an approval or permit from another governmental entity, CONTRACTOR shall provide all necessary supporting documents to be filed with such entity.

5.07 CONTRACTOR shall be solely responsible for obtaining Employment Eligibility Verification information from CONTRACTOR's employees, in compliance with the Immigration Reform and Control Act of 1986, Pub. L. 99-603 (8 U.S.C. 1324a), and shall ensure that CONTRACTOR's employees are eligible to work in the United

States.

5.08 In the event that CONTRACTOR employs, contracts with, or otherwise utilizes any CalPERS retirees in completing any of the Services performed hereunder, such instances shall be disclosed in advance to the CITY and shall be subject to the CITY's advance written approval.

5.09 Drug-free Workplace Certification. By signing this Agreement, the CONTRACTOR hereby certifies under penalty of perjury under the laws of the State of California that the CONTRACTOR will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code, Section 8350 et seq.) and will provide a drug-free workplace.

5.10 CONTRACTOR shall comply with all applicable local, state and federal laws, rules, regulations, entitlements and/or permits applicable to, or governing the Services authorized hereunder.

6. Insurance. CONTRACTOR hereby agrees to be solely responsible for the health and safety of its employees and agents in performing the Services under this Agreement and shall comply with all laws applicable to worker safety including but not limited to Cal-OSHA. Therefore, throughout the duration of this Agreement, CONTRACTOR hereby covenants and agrees to maintain insurance in conformance with the requirements set forth below. Attached hereto as **Exhibit "C"** are copies of Certificates of Insurance and endorsements as required by Section 7.02. If existing coverage does not meet the requirements set forth herein, CONTRACTOR agrees to amend, supplement or endorse the existing coverage to do so. CONTRACTOR shall provide the following types and amounts of insurance:

6.01 Commercial general liability insurance in an amount of not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate; CONTRACTOR agrees to have its insurer endorse the general liability coverage required herein to include as additional insured's CITY, its officials, employees and agents. CONTRACTOR also agrees to require all contractors and subcontractors to provide the same coverage required under this Section 6.

6.02 Business Auto Coverage in an amount no less than \$1 million per accident. If CONTRACTOR or CONTRACTOR's employees will use personal autos in performance of the Services hereunder, CONTRACTOR shall provide evidence of personal auto liability coverage for each such person.

6.03 Workers' Compensation coverage for any of CONTRACTOR's employees that will be providing any Services hereunder. CONTRACTOR will have a state-approved policy form providing statutory benefits as required by California law. The provisions of any workers' compensation will not limit the obligations of CONTRACTOR under this Agreement. CONTRACTOR expressly agrees not to use any statutory immunity defenses under such laws with respect to CITY, its employees, officials and agents.

6.04 Optional Insurance Coverage. Choose and check one: Required /Not Required ; Errors and omissions insurance in a minimum amount of \$2 million per

occurrence to cover any negligent acts or omissions committed by CONTRACTOR, its employees and/or agents in the performance of any Services for CITY.

7. General Conditions pertaining to Insurance Coverage

7.01 No liability insurance coverage provided shall prohibit CONTRACTOR from waiving the right of subrogation prior to a loss. CONTRACTOR waives all rights of subrogation against CITY regardless of the applicability of insurance proceeds and shall require all contractors and subcontractors to do likewise.

7.02. Prior to beginning the Services under this Agreement, CONTRACTOR shall furnish CITY with certificates of insurance, endorsements, and upon request, complete copies of all policies, including complete copies of all endorsements. All copies of policies and endorsements shall show the signature of a person authorized by that insurer to bind coverage on its behalf.

7.03. All required policies shall be issued by a highly rated insurer with a minimum A.M. Best rating of "A:VII"). The insurer(s) shall be admitted and licensed to do business in California. The certificates of insurance hereunder shall state that coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits, except after thirty (30) days' prior written notice has been given to CITY.

7.04 Self-insurance does not comply with these insurance specifications. CONTRACTOR acknowledges and agrees that that all insurance coverage required to be provided by CONTRACTOR or any subcontractor, shall apply first and on a primary, non-contributing basis in relation to any other insurance, indemnity or self-insurance available to CITY.

7.05 All coverage types and limits required are subject to approval, modification and additional requirements by CITY, as the need arises. CONTRACTOR shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect CITY's protection without CITY's prior written consent.

7.06 CONTRACTOR agrees to provide immediate notice to CITY of any claim or loss against CONTRACTOR or arising out of the Services performed under this Agreement. CITY assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve CITY.

8. Indemnification.

8.01 CONTRACTOR and CITY agree that CITY, its employees, agents and officials should, to the extent permitted by law, be fully protected from any loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, defense costs, court costs or any other costs arising out of or in any way related to the performance of this Agreement by CONTRACTOR or any subcontractor or agent of either as set forth herein. Accordingly, the provisions of this indemnity are intended by the parties to be interpreted

and construed to provide the fullest protection possible under the law to CITY. CONTRACTOR acknowledges that CITY would not enter into this Agreement in the absence of the commitment of CONTRACTOR to indemnify and protect CITY as set forth herein.

a. To the fullest extent permitted by law, CONTRACTOR shall defend, indemnify and hold harmless CITY, its employees, agents and officials, from any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses, damages or costs of any kind, whether actual, alleged or threatened, actual attorneys' fees incurred by CITY, court costs, interest, defense costs, including expert witness fees and any other costs or expenses of any kind whatsoever without restriction or limitation incurred in relation to, as a consequence of or arising out of, or in any way attributable actually, allegedly or impliedly, in whole or in part to the performance of this Agreement. CONTRACTOR's obligation to defend, indemnify and hold harmless shall include any and all claims, suits and proceedings in which CONTRACTOR (and/or CONTRACTOR's agents and/or employees) is alleged to be an employee of CITY. All obligations under this provision are to be paid by CONTRACTOR as they are incurred by CITY.

b. Without affecting the rights of CITY under any provision of this Agreement or this Section, CONTRACTOR shall not be required to indemnify and hold harmless CITY as set forth above for liability attributable solely to the fault of CITY, provided such fault is determined by agreement between the parties or the findings of a court of competent jurisdiction.

8A. Indemnification Design Professionals.

8A.01 In the event that CONTRACTOR is a design professional under California Civil Code Section 2782.8 this Section 8A shall apply instead of Section 8. To the fullest extent permitted by California law and in accordance with California Civil Code section 2782.8, CONTRACTOR shall indemnify, and hold harmless the City, its officers, employees, trustees and members ("Indemnified Parties") from any and all actions, assessments, counts, citations, claims, costs, damages, demands, judgments, liabilities (legal, administrative or otherwise), losses, notices, expenses, fines, penalties, proceedings, responsibilities, violations, attorney's and consultants' fees and causes of action including, but not limited to those for, injury to property or persons, including personal injury and/or death ("Claim(s)"), to the extent that the Claim(s) arises out of, pertains to, or relates to the negligence, recklessness, or willful misconduct of CONTRACTOR, its directors, officials, officers, employees and consultants arising out of, connected with, or resulting from the performance of the Services, the Project, or this Agreement. This indemnity excludes liability caused by the negligence or willful misconduct of any of the Indemnified Parties. The cost to indemnify, hold harmless, and defend charged to CONTRACTOR shall not exceed CONTRACTOR'S proportionate percentage of fault.

9. Additional Services, Changes and Deletions.

9.01 In the event CONTRACTOR performs additional or different services than those described herein without the prior written approval of the City Manager and/or City

Council of CITY, CONTRACTOR shall not be compensated for such services. CONTRACTOR expressly waives any right to be compensated for services and materials not covered by the scope of this Agreement or authorized by the CITY in writing.

9.02 CONTRACTOR shall promptly advise the City Manager and Finance Director of CITY as soon as reasonably practicable upon gaining knowledge of a condition, event or accumulation of events which may affect the scope and/or cost of Services. All proposed changes, modifications, deletions and/or requests for additional services shall be reduced to writing for review and approval by the CITY and/or City Council.

10. Termination of Agreement.

10.01 Notwithstanding any other provision of this Agreement, CITY, at its sole option, may terminate this Agreement with or without cause, or for no cause, at any time by giving twenty (20) days' written notice to CONTRACTOR.

10.02 In the event of termination, the payment of monies due CONTRACTOR for undisputed Services performed prior to the effective date of such termination shall be paid within thirty (30) business days after receipt of an invoice as provided in this Agreement. Immediately upon termination, CONTRACTOR agrees to promptly provide and deliver to CITY all original documents, reports, studies, plans, specifications and the like which are in the possession or control of CONTRACTOR and pertain to CITY.

11. Status of CONTRACTOR.

11.01 CONTRACTOR shall perform the Services in CONTRACTOR's own way as an independent contractor, and in pursuit of CONTRACTOR's independent calling, and not as an employee of CITY. However, CONTRACTOR shall regularly confer with CITY's City Manager as provided for in this Agreement.

11.02 CONTRACTOR agrees that it is not entitled to the rights and benefits afforded to CITY's employees, including disability or unemployment insurance, workers' compensation, retirement, CalPERS, medical insurance, sick leave, or any other employment benefit. CONTRACTOR is responsible for providing, at its own expense, disability, unemployment, workers' compensation and other insurance, training, permits, and licenses for itself and its employees and subcontractors.

11.03 CONTRACTOR hereby specifically represents and warrants to CITY that it possesses the qualifications and skills necessary to perform the Services under this Agreement in a competent, professional manner, without the advice or direction of CITY and that the Services to be rendered pursuant to this Agreement shall be performed in accordance with the standards customarily applicable to an experienced and competent professional rendering the same or similar services in the same geographic area where the CITY is located. Further, CONTRACTOR represents and warrants that the individual signing this Agreement on behalf of CONTRACTOR has the full authority to bind CONTRACTOR to this Agreement.

12. Ownership of Documents; Audit.

12.01 All draft and final reports, plans, drawings, studies, maps, photographs, specifications, data, notes, manuals, warranties and all other documents of any kind or nature prepared, developed or obtained by CONTRACTOR in connection with the performance of Services performed for the CITY, except those items defined as audit documentation under professional standards promulgated by the American Institute of Certified Public Accountants (AICPA), which will be the property of CONTRACTOR, shall become the sole property of CITY, and CONTRACTOR shall promptly deliver all such materials to CITY upon request. At the CITY's sole discretion, CONTRACTOR may be permitted to retain original documents, and furnish reproductions to CITY upon request, at no cost to CITY. For the avoidance of doubt, the CITY shall retain exclusive ownership of the final audit report.

12.02 Subject to applicable federal and state laws, rules and regulations, CITY shall hold all intellectual property rights to any materials developed pursuant to this Agreement, except those items defined as audit documentation under professional standards promulgated by the AICPA, which will be the property of CONTRACTOR. CONTRACTOR shall not such use data or documents for purposes other than the performance of this Agreement, nor shall CONTRACTOR release, reproduce, distribute, publish, adapt for future use or any other purposes, or otherwise use, any data or other materials first produced in the performance of this Agreement, nor authorize others to do so, without the prior written consent of CITY.

12.03 CONTRACTOR shall retain and maintain, for a period not less than four years following termination of this Agreement, all-time records, accounting records and vouchers and all other records with respect to all matters concerning Services performed, compensation paid and expenses reimbursed. At any time during normal business hours and as often as CITY may deem necessary, CONTRACTOR shall make available to CITY's agents for examination all of such records and shall permit CITY's agents to audit, examine and reproduce such records.

13. Miscellaneous Provisions.

13.01 This Agreement, which includes all attached exhibits, supersedes any and all previous agreements, either oral or written, between the parties hereto with respect to the rendering of Services by CONTRACTOR for CITY and contains all of the covenants and agreements between the parties with respect to the rendering of such Services in any manner whatsoever. Any modification of this Agreement will be effective only if it is in writing signed by both parties.

13.02 CONTRACTOR shall not assign or otherwise transfer any rights or interest in this Agreement without the prior written consent of CITY. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

13.03 CONTRACTOR shall timely file FPPC Form 700 Conflict of Interest Statements with CITY if required by California law and/or the CITY's conflict of interest policy.

13.04 If any legal action or proceeding, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees and costs, in addition to any other relief to which that party may be entitled.

13.05 This Agreement is made, entered into and shall be performed in the County of Riverside in the State of California and shall in all respects be interpreted, enforced and governed under the laws of the State of California. The parties agree that venue in any litigation between them shall be in Riverside County, California.

13.06 CONTRACTOR covenants that neither it nor any officer or principal of its firm has any interest, nor shall they acquire any interest, either directly or indirectly, which will conflict in any manner or degree with the performance of their Services hereunder. CONTRACTOR further covenants that in the performance of this Agreement, no person having such interest shall be employed by it as an officer, employee, agent, or subcontractor.

13.07 CONTRACTOR has read and is aware of the provisions of Section 1090 et seq. and Section 87100 et seq. of the Government Code relating to conflicts of interest of public officers and employees. CONTRACTOR agrees that they are unaware of any financial or economic interest of any public officer or employee of the CITY relating to this Agreement. It is further understood and agreed that if such a financial interest does exist at the inception of this Agreement, the CITY may immediately terminate this Agreement by giving notice thereof. CONTRACTOR shall comply with the requirements of Government Code section 87100 et seq. and section 1090 in the performance of and during the term of this Agreement.

13.08 Improper Consideration. CONTRACTOR shall not offer (either directly or through an intermediary) any improper consideration such as, but not limited to, cash, discounts, services, the provision of travel or entertainment, or any items of value to any officer, employee or agent of the CITY in an attempt to secure favorable treatment regarding this Agreement or any contract awarded by CITY. The CITY, by notice, may immediately terminate this Agreement if it determines that any improper consideration as described in the preceding sentence was offered to any officer, employee or agent of the CITY with respect to the proposal and award process of this Agreement or any CITY contract. This prohibition shall apply to any amendment, extension or evaluation process once this Agreement or any CITY contract has been awarded. CONTRACTOR shall immediately report any attempt by any CITY officer, employee or agent to solicit (either directly or through an intermediary) improper consideration from CONTRACTOR.

13.09 Severability. If any portion of this Agreement is declared invalid, illegal or otherwise unenforceable by a court of competent jurisdiction, the entire balance of this Agreement not so affected shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereby have made and executed this Agreement to be effective as of the day and year first above written.

CITY:

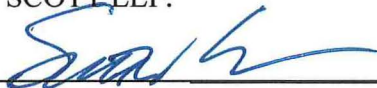
CITY OF BEAUMONT

By: _____
Mike Lara, City Mayor

Date: _____

CONTRACTOR:

ROGERS ANDERSON MALODY &
SCOTT LLP.

By:  _____

Print Name: Scott W. Manno

Title: Partner

Date: 3/10/25

ATTEST:

By: _____

Nicole Wheelwright, Deputy City Clerk

Date: _____

APPROVED AS TO FORM:

By: _____
John O. Pinkney, City Attorney

Date: _____

EXHIBIT "A"

REQUEST FOR PROPOSALS

(insert behind this page)



Website:
www.beaumontca.gov

Address:
550 E. 6th Street
Beaumont, CA 92223

Phone:
951.769.8520

Request for Proposals For Financial Auditing Services

Proposals Due By:

12:00 pm

January 17, 2025

Contact:

Jennifer Ustation, Director of Finance
550 E. 6th Street - Beaumont, California 92223
justation@beaumontca.gov

RFP Available

Planet Bids Portal at
<https://vendors.planetbids.com/portal/66785/bo/bo-search>



Table of Contents

Request for Proposal

Introduction.....3

Background.....3

Additional responsibilities.....4

Term.....4

Proposal Requirements.....5

Key Milestones for Deliverables.....7

Response Submittal.....9

Project Schedule.....10

Confidentiality.....10

Amendments to RFP.....10

City of Beaumont Rights and Options.....11

Conflict of Interest.....12

Proposal Evaluation/Selection.....13

Exhibit A

 Scope of Services.....15

Exhibit B

 Cost Summary.....20

Exhibit C

 Professional Services Agreement.....22

Introduction

The City of Beaumont is requesting qualified public accounting firms to submit proposals to audit the City's financial statements for the five (5) fiscal years beginning with the year ending June 30, 2025, with the option of extending the contract for one (1) additional one-year period, at the City's sole discretion. These audits are to be performed in accordance with generally accepted auditing standards, *Governmental Auditing Standards* issued by the Comptroller General of the United States, and U.S. Office of Management and Budget (OMB) Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*. Additional information is found in the Scopes of Services (Exhibit A).

All services provided by the Consultant shall be performed by individuals who meet the qualifications, education, and certification/licensing requirements for the position. The successful Consultant shall also have the resources to provide cost-effective and timely services, including providing customer service to the CITY.

Qualified firms that submit a proposal will be evaluated in accordance with the requirements defined within this RFP. The City reserves the right to waive any irregularity in any proposal, withdraw or amend this RFP or reject any proposal that does not comply with this RFP or City policies.

Background

The City of Beaumont is a general law city incorporated in 1912 currently serving a population of approximately 57,000, located in Western Riverside County. The City operates under a council-manager format of government which consists of a Mayor, Mayor Pro-Tem, three Councilmembers and the City Manager. The positions of Mayor and Mayor Pro-Tem are rotated among the elected Councilmembers. A City Clerk and Treasurer are elected positions, each for a four-year term.

In addition to its function as the governing body of the City, the City Council acts as the governing body for other separate entities: Beaumont Financing Authority, Beaumont Public Improvement Authority, Beaumont Parking Authority, Beaumont Transit System, and Beaumont Utility Authority. There is no requirement for separate financial reporting for these separate entities with one exception (Beaumont Transit System).

Official accounting records are on-site in the Finance Department, while some supporting information may be located in other departments within the City. Beaumont uses the Tyler Incode 10 accounting software and Enterprise for Fees. Payroll is processed in house through Tyler Incode 10.

Relevant operational detail for conducting the independent financial audit is provided as follows:

1. The Finance Department consists of the Finance Director, and eight (8) staff members responsible for accounting and financial reporting, budgeting, grants, accounts payable, revenue recording, banking and treasury investment, purchase order and project accounting tracking. Revenues are collected at various locations throughout the City and recorded into Tyler Incode 10 by non-finance department personnel.



2. City Funds and Account Groups are as follows:
 - a. General Fund (1)
 - b. Internal Service Funds (1)
 - c. Special Revenue Funds (14)
 - d. Debt Service Fund (1)
 - e. Other Governmental Funds (14)
 - f. Capital Project Funds (2)
 - g. Enterprise Funds (2)
 - h. Agency Funds (4)
3. The City, organized into ten departments (Administration, Communications, Finance and Budget, IT, Economic Development, Risk and Human Resources, Community Development, Community Services, Public Safety, Public Works), provides a full range of municipal services. In addition, the City has component units including the Beaumont Utility Authority, Beaumont Financing Authority, Beaumont Public Financing Authority, Beaumont Parking Authority, and Beaumont Transit System. Public Safety Fire services are contracted with Cal Fire, but Animal Control, Code Enforcement, Police and Dispatch are performed by City employees.
4. The City's total expected payroll for the year ended June 30, 2025 is approximately \$31.8 million, covering 247 budgeted full-time and part-time positions. The total municipal budget for the 2024-2025 fiscal year is approximately \$96 million.

For further information, City's past two years ACFRs' and current and last year adopted budget are located on the City's website at: <https://beaumontca.gov/921/Audits-and-Reports>

Rogers, Anderson, Malody and Scott, LLP served as the City's auditor in the past years.

Additional Responsibilities

The Consultant shall be responsible for completing the specified services in accordance with the CITY's Professional Services Agreement (PSA) by Independent Contractor, a sample of which is attached (Exhibit A).

Term

The term of the agreement shall be determined upon the need for services and consistent with the City's policies. The initial period of the contract is five (5) years, with one one-year extension as approved by the City Council, subject to agreement terms and the Beaumont Municipal Code.



Proposal Requirements

Proposals shall clearly address all the information requested and describe the methodology to be used to accomplish each of the project tasks. Please note: this RFP cannot identify each specific, individual task required to successfully and completely implement this project. The CITY relies on the professionalism and competence of the selected firm to be knowledgeable of the general areas identified in the scope of services. The CITY will not approve addenda to the selected firm's agreement which do not involve a substantial change from the general scope of work identified in this RFP.

The proposal shall clearly address all the information requested herein. To achieve a uniform review process and obtain the maximum degree of comparability, it is required that proposals be organized and contain all information as specified below.

A. Cover Letter: Maximum of two pages serving as an Executive Summary which shall include an understanding of the scope of services. The RFP shall be transmitted with a cover letter that must be signed by an official authorized to bind the consultant contractually. That letter accompanying the RFP shall also provide the name, title, address, and telephone number of individuals with the authority to negotiate and contractually bind the consultant. The cover letter constitutes certification by the consultant, under penalty of perjury, that the consultant complies with nondiscrimination requirements of the State and Federal Government. An unsigned proposal or one signed by an individual unauthorized to bind the consultant may be rejected.

B. Introduction/Information:

Firms must provide the following information regarding the organization:

- Name
- Street Address
- City, State, Zip Code
- Corporate Structure
- State/Country of Incorporation
- Website
- Contact Information

In addition, please include the size of the firm, the size of the firm's governmental audit staff, and the location of the office from which the work on this engagement will be performed.

Firms should provide an affirmative statement that it is independent of the City as defined by generally accepted auditing standards and the U.S. General Accounting Office's Government Auditing Standards (1994). Firms should provide an affirmative statement that the firm and all assigned key professional staff are properly licensed to practice in California.

Firms shall submit a copy of its most recent quality control review. Firms shall provide information on the circumstances and status of any disciplinary action taken or pending against



the firm with state regulatory bodies or professional organizations, as well as any pending or settled litigation, during the past three years.

- C. *Audit Approach*: The proposal should set forth a detailed work plan, including an explanation of the audit methodology for providing the services required in this RFP. Detailed project schedule, identifying all tasks and deliverables to be performed, durations for each task, and overall time of completion, including a complete transition plan. Include your plan to deal with fluctuation in service needs and any associated price adjustments.
- D. *City Staff*: Provide a detailed description of the firm's approach to communicating effectively with CITY staff and officials, other jurisdictional stakeholders, and the public, to facilitate successful delivery of assigned tasks. Detailed description of specific tasks you will require from City staff. Explain what the respective roles of City staff and your staff would be to complete the tasks specified in the Scope of Services.
- E. *Specific Expertise Desired*: The City has extensive use of Community Facility Districts (CFDs), Development Impact Fees (DIFs) and land secured bond issuances. Direct expertise in these areas is desired. Please provide your experience and knowledge in these areas.
- F. *Key Personnel*: This section shall identify the Partner, Manager, and other key personnel and any subconsultants assigned to the services. Provide information on the training, government auditing experience, and specialized skills of each person and whether each person is licensed to practice as a certified public accountant in California. In addition to this summary, full resumes should be provided.
- G. *Disclosure* - Please disclose any and all past or current business and personal relationships with any current Beaumont elected official, appointed official, City employee, or family member of any current Beaumont elected official, appointed official, or City employee. Any past or current business relationship may not disqualify the firm from consideration.
- H. *References* - For the firm's office that will be assigned responsibility for the audit, provide a list of the most significant engagements performed in the last five years that are similar to the engagement described in this Request for Proposal. Indicate the scope of work, dates, engagement partners, total hours and contact information for the client.
- I. *Overview and Scope of Services* - Provide a description of the tasks, sub-tasks, and deliverables that will be provided. The Scope of Work should be presented in a logical format that can be easily attached to the Professional Services Agreement (PSA). The request for Proposals is for Professional Auditing Services as set forth in Exhibit A – Scope of Services.
- J. *Cost Summary* - The Cost Summary should contain, itemized pricing for each of the five potential fiscal years. The total maximum annual price should contain all direct and indirect costs, including out-of-pocket expenses. Please use the Cost Summary (Exhibit B) to submit pricing. In your proposal, please indicate any specific costing elements such as footnote disclosures that impact the overall cost, such as preparation of Single Audit.
- K. *Hours* - The proposal should include the anticipated number of hours and distribution by



staff classification. The proposal should also include a schedule of rates by professional staff classifications for audit services and consulting services. Please indicate if your proposal includes a “not to exceed” quote.

- L. Signature - The response shall be signed by an official authorized to bind the firm and shall contain a statement to the effect that the proposal is valid for ninety (90) days.
- M. Special Considerations - The City will send its annual comprehensive financial report to the Government Finance Officers Association of the United States and Canada for review in their Certificate of Achievement for Excellence in Financial Reporting program. It is anticipated that the auditor will be required to provide special assistance to the City of Beaumont to meet the requirements and time deadline of this program.
- N. Timing Considerations – The selected audit firm must ensure the timely completion of all audits tasks and deliverables, adhering to the City’s deadline of November 30th for final report submission to City Council.
- O. Other - Any other information that should be considered, such as any special services or customer service philosophy, which defines your firm’s practice.
- P. Insurance: The firm will be required to have General liability insurance, professional liability insurance, worker’s compensation, and vehicle coverage including comprehensive and collision insurance naming the CITY of Beaumont as additional insured. The proposal shall state whether such insurances will be in force at the time of contract execution.

Key Milestones for Deliverables

- A. Entrance conference as soon as practicable after contract execution in 2025.
The purpose of this meeting will be to discuss any prior audit problems and the interim work to be performed. This meeting will also be used to establish overall liaison for the audit and to make arrangements for work space and other needs of the auditor. The auditor shall provide both a detailed audit plan and a list of all schedules to be prepared by the City of Beaumont for the interim audit.
- A. Interim fieldwork between April and May.
- B. Interim exit conference will occur on the last day of associated fieldwork.
The purpose of this meeting will be to summarize the results of the preliminary tests of the key internal controls and to discuss a written report of items of concern or other matters to be tested.
- C. Detailed Audit Plan to be provided within two (2) weeks of conclusion of Interim audit.
The auditor shall provide both a detailed audit plan and a list of all schedules to be prepared by the City for the final phase of the audit.
- D. Entrance conference to commence final audit work by October 6, 2025, and on or before the first week in October for subsequent years.



The purpose of this meeting will be to discuss prior audit problems and the audit work to be performed, and the accounting structure and system. This meeting will also be used to establish overall liaison for the audit and to make arrangements for work space and other needs of the auditor.

Progress conference with the Finance Director and staff will be held at least every two weeks starting when the auditors begin final audit fieldwork and continuing through issuance. An exit conference will also be held with the Finance Director and staff at the conclusion of field work to summarize the results of the field work and review significant findings

- E. Fieldwork to commence the week of the entrance conference and is to conclude within three (3) weeks.
- F. Exit conference to occur on final day of fieldwork.

The purpose of this meeting will be to summarize the results of the field work and to review significant findings. The auditor shall have drafts of the audit reports and recommendations to management available for review by the Finance Director and designees by this date. Please also provide a listing of outstanding issues that have not been resolved during the audit.

- G. Draft Reports to be reviewed by City Staff within three (3) weeks of fieldwork.
- H. City to provide the following report edit to auditor within one (1) week of receipt of draft reports:
 - 1. Report Draft changes
 - 2. Management Discussion and Analysis
 - 3. Transmittal Letter
 - 4. Responses to all the outstanding items
- I. Auditor provides all final reports to City two (2) weeks prior to issuance for final review.
- J. Auditor to issue opinions for all the reports
 - 1. Comprehensive Annual Financial Report – on or before November 30th.
 - 2. Memorandum of Internal Control – concurrent with ACFR issuance each year
 - 3. Required Communications – concurrent with ACFR issuance each year
 - 4. Single Audit Report – on or before March 15th each year
 - 5. Appropriation Limit AUP – concurrent with ACFR issuance each year

Response Submittal

All questions or requests for clarifications regarding this RFP shall be submitted on planetbids by 5:00 p.m. PST January 03, 2025. Responses to all questions will be posted on the same website to allow all users to review the City's responses to all questions within one (1) week of the question due date.



****DUE DATE FOR QUESTIONS IS, JANUARY 03, 2025 BY 5:00 P.M.****

Submit one (1) digital copy of proposal and one (1) digital copy of the cost proposal in PDF format on Planetbids in accordance with the proposal submission deadline, which is **12:00 pm PST on JANUARY 17, 2025**. Proposal must be titled “Proposal for professional auditing services” and the cost proposal must be titled “Cost proposal for professional auditing services” All costs associated with preparation of any proposal shall be the sole responsibility of the proposer.

****DUE DATE FOR PROPOSALS IS JANUARY 17, 2025 BY 12:00 P.M.****

By proposing on this project, you are indicating that you agree to all terms and conditions of the City’s Professional Services Agreement, which is attached to this RFP as Exhibit A.

No RFC or questions will be accepted after 5:00 p.m. on **January 03, 2025**. All RFC responses will be posted on the CITY’s Planet Bids Portal by January 10, 2025.

No postmarked proposals will be accepted. Once submitted, proposals, including the composition of the consulting staff, cannot be altered without prior written consent of the CITY.

If prior to the date fixed for submission of Proposals, a prospective Company discovers any ambiguity, conflict, discrepancy, omission or other errors in this RFP or any of its appendices, exhibits or attachments, the Company shall immediately notify the City of such error in writing and request modification or clarification of the document. Modifications shall be made by written Addenda to the RFP.

If a Company fails to notify the City, prior to the date fixed for submissions of Proposals, of an error in the RFP known to the Company, or an error that reasonably should have been known to the Company, the Company shall submit its Proposal at its own risk, and if the Company is awarded a Contract, it shall not be entitled to additional compensation or time by reason of the error or its later correction.

All communications regarding technical, scope, and/or project related questions and requests for clarifications, changes, exceptions, and deviations to the terms and conditions set forth in this RFP shall be submitted via “Q&A” through the City’s Electronic Bidding System, Planetbids, before the deadline and according to these specifications herein. Any and all other bidding communications shall only be with Raveena Chara, Procurement Contract Specialist, rchara@beaumontca.gov

The Final day for receipt of questions from the Proposer shall be on or before the due date indicated in the RFP event schedule section below. To ensure fairness and avoid misunderstandings, all communications must be in written format and submitted only in the format set forth above. Any verbal communications will not be considered or responded to. All questions received by the due date will be logged and reviewed

RFP Project Schedule



Event	Date
RFP Issued	Friday, December, 6, 2024
Questions Due	Friday, January 3, 2025
Responses to questions provided by	Friday, January 10, 2025
Submittals Due	Friday, January 17, 2025, 12:00 p.m.
Staff Review	January 20,2025 to January 24, 2025
Presentations/Interview	Week of February 3, 2025
Contractor Selection	Monday, February 10, 2025
City Council review/approval	Tuesday, March 4, 2025
Interim Fieldwork begins	April or May 2025

Confidentiality

Prior to the proposal submittal deadline, all proposals will be designated confidential to the extent permitted by the California Public Records Act. After the proposal submittal deadline, all responses will be regarded as public records and will be subject to review by the public. Any language purported to render confidential all or portions of the proposals will be regarded as non-effective and will be disregarded.

Amendments to Request for Proposals

The CITY reserves the right to amend the RFP by addendum prior to the final proposal submittal date. The addenda will be posted on the CITY’s Planet Bids Portal:

<https://vendors.planetbids.com/portal/66785/bo/bo-search>

City of Beaumont Rights and Options

This RFP does not commit the City of Beaumont to award a contract or to pay any cost incurred



with the preparation of a proposal or contract for services described herein. The City may, in its sole discretion and without any obligation to act reasonably, reject any and all proposals, waive informalities and minor irregularities in any proposal reviewed, negotiate with any qualified source submitting a proposal, extend deadlines, and/or request additional information.

Subsequent to negotiations, prospective trustees may be required to submit revisions to their proposals. The City may reject any proposal that does not conform to the instructions provided in this RFP. Additionally, the City reserves the right to negotiate all final terms and conditions of any proposal received before entering into final contract.

The City reserves the right to postpone selection for its own convenience, to withdraw this RFP at any time, and to reject any and all proposals without indicating any reason for such rejection. As a function of the RFP process, the City of Beaumont reserves the right to remedy technical errors in response to the RFP and to modify the published scope of services and scope of work. Proposals submitted in response to the RFP will not be returned.

The City of Beaumont reserves the right to reject any or all responses, to waive any informality in any responses, and to select the vendor that best meets the City's needs.

There is no expressed or implied obligation for the City to reimburse responding firms for any expenses incurred in preparing proposals in response to this request. Materials submitted by respondents are subject to public inspection under the California Public Records Act (Government Code Sec. 6250 et seq.) unless exempt. Any language purporting to render the entire proposal confidential or proprietary will be ineffective and will be disregarded.

All property rights, including publication rights of all reports produced by respondents in connection with services performed under this agreement will be vested in the City. In addition, respondents will not publish or release any of the results of its examination without the express written permission of the City.

Responses must be submitted no later than the date and time stated on this RFP. Responses shall be reviewed and rated as set forth in the Selection Process section of this RFP. The City will then determine which firm best meets the City's requirements.

During the evaluation process, the City reserves the right (where it may serve the City's best interest) to request additional information or clarification from respondents. At the discretion of the City, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The City reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether the proposal was selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this Request for Proposals, unless clearly and specifically noted in the proposal as submitted and confirmed in the contract between the City and the firm selected.

The City reserves the right to negotiate final pricing with the most qualified firm. The City may invite selected firms to meet with the evaluation team on or around the week of February 10, 2025,



at no additional cost to the City.

The City's standard Contract Services Agreement is included as Exhibit C. Upon award of the contract, it is expected that the successful proposer will accept the Agreement terms and conditions "as is" without modification. Any contract modifications are to be stated upfront, at the time of submittal.

Any costs incurred in the preparation of the response, presentation to the City, travel in conjunction with such presentations, or samples of items shall be the responsibility of the respondent. The City assumes no responsibility and no liability for costs incurred by respondents prior to issuance of a contract.

The proposer shall furnish the City with such additional information as the City may reasonably require.

Conflict of Interest

The Consultant shall disclose any personal or professional financial, business, or other relationships with the CITY that may have an impact on the outcome of this contract or any resulting project. The consultant shall also list current clients who may have a financial interest in the outcome of this contract.

Proposal Evaluation/Selection

Staff will review the proposals and make a recommendation to the City Council for review



(tentatively scheduled for March 4, 2025). The City intends to evaluate the proposals based upon the data presented in response to the RFP. The following general selection criteria will be used to evaluate each proposal:

1. Ability to meet service requirements; understanding the needs and requirements of the City; scope and services offered.
2. Experience, qualifications and knowledge of key personnel; references for similar work completed within the last three years. (Particular emphasis will be placed in the area of customer support.)
3. Proposed pricing.
4. Completeness of responses to the Request for Proposals

The CITY intends to engage the most qualified consultant available who demonstrates a thorough understanding of the CITY’s needs. CITY staff will use the following criteria to evaluate the proposals:

Criteria	Points
Understanding of the Scope of Services	15
Demonstrated Professional Skills and Credentials	25
Related Experience and Previous Projects	20
Proposed Approach to Performing the Services	15
Proposed Pricing	25
Total	100

The CITY may request a qualification interview with the highest-ranked consultant(s) prior to determining the final ranking. This selection will be conducted according to the CITY’s adopted procedures. The CITY may select the top two firms and enter into negotiation. The CITY reserves the right to reject any and all proposals.

Exhibits

- A. Scope of Services
- B. Cost Summary
- C. Sample Professional Services Agreement (PSA)



**----- END OF REQUEST FOR PROPOSAL -----
EXHIBITS TO FOLLOW**



EXHIBIT "A"

SCOPE OF SERVICES

(insert behind this page)



EXHIBIT A

Scope of Services

The City's goal is to provide the public and its constituents with a financial statement that gives complete, accurate and understandable information about the City's financial condition. The selected independent auditor will be required to perform the following tasks:

1. Annual Comprehensive Financial Report - Audit the Basic Financial Statements of the City to obtain reasonable assurance about whether the financial statements are free from material misstatement. Express an opinion on the fair presentation of the City's governmental activities, business-type activities, each major fund, and the aggregate remaining fund information in conformity with generally accepted accounting principles. The Auditor shall also be responsible for performing certain limited procedures involving management's discussion and analysis (MD&A) and the required supplementary information (RSI) required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

A draft shall be issued twenty (20) days prior to the final report issue date to be available for presentation to the Finance and Audit Committee. The auditors' staff shall be available to resolve areas of concern relative to the discussion draft and/or financial statements. The final report is to be delivered by November 30, with earlier issuance encouraged when possible.

2. Single Audit Act Report (if required) – The audit firm will perform a single audit on the expenditures of federal grants in accordance with the provisions of the Single Audit Act Amendments of 1996 and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and render the appropriate audit reports on Internal Control over Finance Reporting based upon the audit of the City's financial statements in accordance with Government Auditing Standards and the appropriate reports on compliance with Requirements Applicable to each Major Program, and internal Control over Compliance. The single audit report prepared and published by the audit firm will include appropriate schedule of expenditures and material weaknesses and follow up on prior audit findings where required. If the City does not meet the minimum requirements to necessitate a single audit, the fees shall be adjusted accordingly. Additionally, the audit firm will submit the required information to the Federal Audit Clearinghouse.

A draft shall be issued fifteen (15) days prior to the final report issue date. The auditors' staff shall be available to resolve areas of concern relative to the discussion draft and/or financial statements. The final report is to be delivered on or before March 15.

3. A report on compliance and internal control over financial reporting based on an audit of the financial statements.
 - a. In the required report[s] on compliance and internal controls, the auditor shall communicate any reportable conditions found during the audit. A



reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

- b. Reportable conditions that are also material weaknesses shall be identified as such in the report. Nonreportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the report[s] on compliance and internal controls.
 - c. The report shall include all material instances of noncompliance. All nonmaterial instances of noncompliance shall be reported in a separate management letter, which shall be referred to in the report on compliance and internal controls. The management letter shall be address to the City Manager. Prior to its release, City staff shall be given an opportunity to review and comment.
4. Updates – The firm selected is expected to keep the City abreast of new developments affecting municipal finance and reporting, Government Accounting Standards Board pronouncements, procedural changes for grants, etc. The City is requesting the firm to provide continuing professional development, up to 10 hours, as part of keeping the City updated. The firm is also expected to provide advice to City staff related to the proper accounting treatment for transactions as needed and without additional costs.
 5. Other –The firm selected may also be asked to examine other reports or perform other services as required. The scope and compensation for any such request would be negotiated between the City and the Auditor.

Auditing Standards to be Followed

To meet the requirements of this Request for Proposal, the audit shall be performed in accordance with:

- Generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants
- The standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States
- The provisions of the Federal Single Audit Act
- The provisions of the U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations

Reports to be Issued

Following completion of the audit and preparation of the fiscal year's financial statements and special purpose audits, the Auditor shall issue:



1. Reports on the fair presentation of the financial statements in accordance with auditing standards generally accepted in the United States of America as listed below: a. Annual Comprehensive Financial Report b. Single Audit Report
2. A report based on the internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards.
3. A report on the compliance with requirements that could have a direct and material effect on each major program and internal control over compliance in accordance with OMB Circular A-133 and on the schedule of expenditures of federal awards. Also included would be a schedule of findings and questioned costs associated with federal awards.
4. A Management Letter setting forth recommendations (as applicable) for improvements in the City's internal control, accounting procedures, and any other significant observations.
5. Reports to and communication with those charged with governance, as required by auditing standards.
6. Auditors shall be required to make immediate, written notification to the City Council, City Manager, and City Attorney of all irregularities and illegal acts or indications of illegal acts of which they become aware.
7. Any other reports that may become required as a result of a change in accounting standards or new pronouncements that become effective during the term of the engagement.

Other Communications

The Auditor shall make all communications to the City required by the audit standards under which the engagement is performed. Those communications include, but are not limited to:

- The Auditor's responsibility under generally accepted auditing standards.
- Significant accounting policies.
- Management judgment and accounting estimates.
- Significant audit adjustments.
- Other information in documents containing audited financial statements.
- Disagreements with management.
- Management consultation with other accountants.



- Major issues discussed with management prior to retention.
- Difficulties encountered in performing the audit.
- Errors, irregularities, and illegal acts.

The Auditor must be available to present the audit plan prior to beginning field work. In addition, the Auditor must be available to present all final reports to City management and the City Council as requested at no additional costs.

Working Paper Retention and Access to Working Papers

All work papers and reports must be retained, at the auditor's expense, for a minimum of five years (or the retention timeframe established by the professional standards, whichever is longer) unless the firm is notified in writing by the City of the need to extend the retention period. The work papers are subject to review by Federal and State agencies and other individuals designated by the City. Accordingly, the work papers will be made available upon request.

In addition, the firm will respond to the reasonable inquiries of successor auditors and allow successor auditors to review work papers.

Additional Consulting Hours

It is expected that the selected proposer will keep the City informed of new state and national developments affecting municipal finance and reporting, standards and trends including changes in federal/state grant program accounting and reporting requirements. This shall include at least one formal updating session per year with financial/accounting staff.

The scope of the audit must also include consulting time on subjects that could affect financial reports such as reviewing official statements for bond sales or answering payroll taxation issues, (this is in addition to consultations on matters directly relating to the audit and reports).

Journal Entries

All adjusting journal entries made by the independent auditors must be discussed and explained to the designated Finance Department personnel prior to recording. They should be in a format that shows the lowest level of posting detail needed for data entry in the general ledger system.



EXHIBIT B

Cost Summary

(insert behind this page)



EXHIBIT B

Cost Summary

NOT TO EXCEED PRICE FOR PROPOSED SERVICES SCHEDULE

In accordance with the Request for Proposal for Audit Services issued by City of Beaumont, the firm referenced below hereby submits the following cost proposal:

	<u>Year Ended June 30th</u>				
	2025	2026	2027	2028	2029
Basic Reports to Be Issued					
City Audit, including ACFR and Related Reports					
Total					
Additional Audit Reports To Be Requested At City Option					
Single Audit and Related Reports					
Annual Report of City Financial Transactions to State Controller					
Total					

Please include an hourly fee quotation and hours proposed for all positions to be assigned to the audit:

	Hours Billing Rate	Estimated Number of Hours	Estimated Charges
Partners			
Mangers			
Senior Accountant			
Staff Accountant			
Clerical/Support Staff			
Other			

I hereby certify that the undersigned is authorized to represent the firm stated above, and empowered to submit this bid, and if selected, authorized to sign a contract with the City, for the services identified in the Request for Proposals.

Firm Name: _____

Signature: _____

Printed Name: _____

Title: _____

Date: _____

EXHIBIT "B"

VENDOR'S PROPOSAL

(insert behind this page)



JANUARY 17, 2025

CITY OF BEAUMONT

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES
FOR THE FISCAL YEARS ENDING JUNE 30, 2025 THROUGH 2029
(WITH THE OPTION FOR A ONE-YEAR EXTENSION)

CONTACT PERSONS:
SCOTT MANNO, CPA, CGMA
smanno@ramscpa.net

BRIANNA SCHULTZ, CPA, CGMA
bschultz@ramscpa.net

909.889.0871

PREPARED BY
ROGERS ANDERSON MALODY & SCOTT, LLP
735 E Carnegie Drive, Suite 100
San Bernardino, CA 92408

LICENSE #2596
FEIN 95-2662063

**City of Beaumont
Proposal for Professional Auditing Services**

Table of Contents

Page

Transmittal letter i

Firm qualifications and experience 1

- Firm information*
- License to practice in California*
- Independence*
- About our firm*
- Range of services*
- Governmental Audit Quality Center*
- Housing Authority and Successor Agency experience*
- Single audit experience*
- ACFR preparation*
- Engagement quality control*
- Equal opportunity employer*
- External quality control review*
- Disciplinary action*

Specific audit approach..... 5

- Engagement approach*
- Audit approach and proposed audit segmentation*
- Level of staff and approximate number of hours assigned to each segment*
- Sample sizes (including for compliance testing)*
- Intelligent audit technology*
- Analytical procedures*
- Auditing in a remote environment*
- Commitment to client collaboration*
- Proposed audit timing*

City staff 12

- Specific tasks required from City staff*
- Respective roles*

Specific expertise desired 14

Key personnel..... 15

- Quality of service and engagement team*
- Partner and supervisory staff involvement*

Partner, supervisory, and staff qualifications and experience..... 15

- Staff continuity*
- Continuing professional education*
- Assigned personnel*
- Engagement team resumes*

Disclosure 23

References 23

Overview and scope of services..... 25

- Services to be provided*

January 17, 2025

City of Beaumont
550 E. 6th Street
Beaumont, CA 92223

We are pleased to respond, on behalf of Rogers, Anderson, Malody & Scott, LLP (RAMS), to your request for a proposal regarding professional auditing services. As a recognized industry leader and innovator for over 77 years, our goal has been to provide honest, high-quality, and objective results to all our clients, including governmental organizations such as yours. This dedication has fueled our firm's tremendous organic growth while ensuring personalized, client-focused services, with some clients being with us for over 25 years.

At RAMS, we are committed to achieving the highest quality audit in the most effective manner possible. We understand the complexities of performing governmental audits, which is why we have a dedicated team of auditors with specialized knowledge and experience to ensure our audits are planned and executed efficiently and effectively, providing you with the highest quality services.

We understand that the City of Beaumont (the City) will review other proposals during this process, but we believe that RAMS is the exceptional choice for your audit for the following reasons:

Reputation: We have an established reputation in the governmental and not-for-profit accounting and auditing community for providing excellent, timely service with high-quality reporting.

Advanced Tools: We utilize Teammate Analytics, a suite of over 200 Computer Aided Audit Tools (CAATs), empowering our audit teams to perform powerful data analysis that enhances our substantive audit procedures and helps identify transactions or amounts indicative of potential fraud.

Risk-Based Approach: Our intelligent, risk-based audit allows us to focus on key audit areas, increasing efficiency and resulting in a higher quality audit at a reasonable fee.

Experience: We currently provide auditing services to over 70 governmental agencies and not-for-profit organizations, including over 30 cities with enterprise activities and over 35 special districts.

Remote Capabilities: We have developed a comprehensive remote working environment for our audits. All our staff are equipped to work remotely effectively and efficiently, ensuring a quality audit.

Commitment to Deadlines: We are committed to meeting all reporting/auditing deadlines, resolving any issues encountered during your audit, and providing you with quality audit services.

Minimizing Stress: We understand the audit process can be stressful for you and your staff. We strive to make the audit process as trouble-free as possible by comprehensively planning and utilizing our staff and audit technologies efficiently and effectively while minimizing disruptions and miscommunications.

Personable Team: Our audit team members are personable and easy to work with, yet focused on the audit. Through open and responsive communication, we aim to minimize operational distractions for your staff while maximizing quality service.

Quality Control: We have an extensive internal quality control review process to ensure your financial reports meet the highest standards. Each report prepared by the engagement team is reviewed by the engagement manager, and thoroughly examined by two partners and at least one professional proofreader.

Award-Winning Assistance: We have assisted many clients with the preparation of their Annual Comprehensive Financial Reports. All our clients who submitted reports for GFOA award have received them. Our participation as a GFOA reviewer also indirectly benefits our clients in the quality review process.

Value for Investment: Our fee estimate provides a fair and reasonable investment, commensurate with the level of service provided and the experience of the audit team members. While we may not be the lowest bidder, our focus is on delivering the best value and high-quality services, pricing our engagements accordingly.

Local Presence: As a Southern California firm, our employees live, work, and shop in the region, allowing local cities to benefit from our sales and property taxes.

Our proposal is prepared clearly, concisely, and in accordance with the request for proposal. We believe our firm, staff, and reputation as a leader in governmental auditing exceed the need for the typical excessive information found in other proposals.

Rogers, Anderson, Malody & Scott, LLP is properly licensed to practice in California, including all the professional staff assigned to this engagement. Mrs. Brianna Schultz, Partner and Mr. Manno, Partner, are authorized to represent the firm, submit the bid, and sign a contract with the City. We understand the work to be done as listed in the section of this proposal titled "Services to be Provided," and we are committed to meeting any agreed-upon time frames. This proposal is a firm and irrevocable offer for ninety (90) days.

Thank you for the opportunity to present our proposal to the City. We are committed to exceeding your expectations of an auditor and believe this proposal provides you with comprehensive information about our firm, service team members, and our customized audit approach. We look forward to establishing a long and mutually beneficial relationship with the City. Please feel free to contact us if you have any questions regarding this proposal.

Respectfully yours,

ROGERS, ANDERSON, MALODY & SCOTT, LLP



Scott Manno, CPA, CGMA
Partner

City of Beaumont Proposal for Professional Auditing Services

Firm qualifications and experience

Firm information

Name:	Rogers, Anderson Malody & Scott, LLP
Address:	735 E. Carnegie Drive, Suite 100
City, State, Zip Code:	San Bernardino, CA 92408
Corporate Structure:	Limited Liability Partnership
State/County of Incorporation:	California/San Bernardino
Website:	www.ramscpa.net
Contact Information:	Scott Manno, CPA, CGMA, Partner, smanno@ramscpa.net , 909.889.0871

License to practice in California

Rogers, Anderson, Malody & Scott, LLP is licensed to practice in the State of California. Our key professional staff, which includes the partners, managers, and supervisors, are all certified public accountants licensed to practice in the State of California and follow all applicable Board of Accountancy standards.

Independence

Rogers, Anderson, Malody & Scott, LLP is independent of the City and any component units, as defined by general standard number two of the generally accepted auditing standards, and by the second general standard for government auditing in the U.S. Government Accountability Office's *Government Auditing Standards*.

About our firm

We are a local firm, established in 1948, located at 735 E. Carnegie Drive, Suite 100, San Bernardino, California. As a comprehensive accounting firm, we offer a full spectrum of services. With over 75 years of public practice experience, we are one of the oldest, most trusted, and respected CPA firms in Southern California, specializing in auditing, accounting, and management advisory services for governmental agencies and not-for-profit organizations. Annually, we dedicate over eighteen thousand hours to our audit practice, encompassing cities, redevelopment successor agencies, water districts, other special districts, not-for-profit corporations, and joint power authorities. Our focus on government accounting and auditing is a primary commitment, ensuring we deliver top-quality services to local governments.

We recognize the importance of engaging auditors with a deep understanding of the complex and ever-evolving accounting and compliance issues that governments face today. Our firm boasts a rich history in governmental accounting and auditing, equipping us with invaluable experience, in-depth knowledge, and the technical expertise necessary to conduct high-quality governmental audits. This expertise enables us to provide exceptional service and effective solutions at competitive fees, reflecting our value to clients. Furthermore, our active participation in various industry associations ensures we stay updated on the latest issues in governmental accounting, auditing, and operations. We promptly share any valuable insights with our clients to enhance their benefit.

Our firm has a total staff of fifty-four people, which includes sixteen certified public accountants. The staff consists of six partners, six managers, sixteen supervisors/senior accountants, twenty-two staff accountants, and four support staff. The audit staff consists of thirty-five members who devote over 80% of their time to municipal engagements. The engagement team assigned to the City's engagement will consist of the following full-time staff: one audit partner, one audit manager, one audit supervisor/senior, and two to three staff auditors. All personnel are out of our San Bernardino office.

City of Beaumont Proposal for Professional Auditing Services

Firm qualifications and experience (continued)

Range of services

In addition to auditing services for governmental entities, our firm offers a wide range of other services, including:

- SB 341 compliance (Successor Agencies)
- Internal control agreed-upon procedures
- Finance director and accounting support services
- Studies and evaluations of financial condition and fiscal policies
- Transient Occupancy Tax agreed-upon procedures
- Franchise (refuse, cable) agreed-upon procedures
- Development and review of accounting policies and procedures
- Cash management studies
- Assistance with financing and public bond offerings
- Support with franchise agreements (ambulance, cable, television, refuse, etc.)

Additionally, we provide accounting, auditing, attest, and consulting services to both for-profit and not-for-profit entities. Our services also include tax preparation and consulting for individuals, corporations, and partnerships. We offer complimentary tax consultation services to our municipal audit clients.

Governmental Audit Quality Center

As a member of the American Institute of CPAs *Governmental Audit Quality Center* (GAQC), we at RAMS are dedicated to maintaining the highest quality standards. Our commitment to the GAQC membership requirements includes designating a partner responsible for the quality of our governmental audit practice, establishing rigorous quality control programs, conducting annual internal inspections, and publicly sharing our peer review report findings. Our goal is to continually enhance our quality initiatives to provide the highest quality audit services possible.

Being a part of the GAQC also grants us access to comprehensive resources that further improve the quality of your audit. Our membership ensures we receive timely information on technical, legislative, and regulatory matters, which we apply to your audit to ensure compliance with current standards and regulatory changes, benefiting our clients.

Housing Authority and Successor Agency experience

Over the past five fiscal years, the firm has audited the Housing Authorities and Successor Agencies for the following entities:

City of South Pasadena	City of San Bernardino
City of Thousand Oaks	City of La Verne
City of San Marcos	City of San Jacinto
City of Moorpark	City of Twentynine Palms
City of Fillmore	City of La Mesa
City of Sierra Madre	City of Rosemead
City of El Cajon	City of Hawthorne
Town of Yucca Valley	City of West Covina
City of Poway	City of Claremont

City of Beaumont Proposal for Professional Auditing Services

Firm qualifications and experience (continued)

Single audit experience

Many of our municipal clients, as well as other governmental and not-for-profit clients, require audits in accordance with Uniform Guidance. Recently, we have conducted single audits for numerous entities.

Our specialized Single Audits Team is led by Partners and Managers who hold Intermediate and Advanced Single Audit Certifications from the AICPA, ensuring a successful and thorough engagement.

ACFR preparation

We have extensive experience in preparing Annual Comprehensive Financial Reports (ACFR). For the past several years, our team prepared over between 20-30 ACFRs per year, with each entity receiving the Certificate of Achievement for Excellence in Financial Reporting from the GFOA. Additionally, we have assisted many cities and special districts in developing their first-year reports for submission. Four of our audit partners and five of our managers/supervisory staff serve as technical reviewers for the GFOA award program. We ensure all ACFRs comply with the GFOA certificate program checklist and address any prior year comments to guarantee thorough and compliant reports.

Engagement quality control

Our internal quality control review process ensures your audit meets the highest standards. Financial reports prepared by a senior member of the engagement team undergo multiple levels of review: first by the engagement manager/supervisor, followed by the engagement partner, and finally a technical review by the engagement Quality Control partner. Additionally, all reports are proofread by at least one professional staff member. All audit workpapers are reviewed by the in-charge auditor and the partner in charge of the engagement.

Equal opportunity employer

Our firm is an equal opportunity employer committed to providing employment opportunities to all qualified individuals, regardless of race, color, sex, religion, national origin, or disability. Our diverse staff represents a wide range of cultures and ethnic backgrounds. We offer advancement opportunities based on ability, skill, and desire to progress within the firm.

City of Beaumont Proposal for Professional Auditing Services

Firm qualifications and experience (continued)

External quality control review

As a member of the AICPA Private Companies Practice Section, our firm has actively participated in the "Peer Review" program since 1993. Every three years, an independent firm of certified public accountants conducts an external review of our firm. This participation ensures that our engagements, firm policies, and audit procedures consistently meet the standards set by the AICPA, the Yellow Book, and the California State Board of Accountancy. Notably, throughout our participation in this program, our firm has consistently received pass ratings from the peer reviewers.

During each peer review, an independent firm assesses our policies and procedures and inspects a representative sample of engagement workpapers and reports, including those related to governmental entities and engagements subject to the Uniform Guidance. For the year ended November 30, 2020, our firm received a pass rating. This rating indicates that our auditing practices are suitably designed and complied with, providing reasonable assurance of performing and reporting in accordance with applicable standards. The results affirm that our custom audit approach and procedures are technically sound and compliant with all relevant standards.

Disciplinary action

Our firm has a spotless record with no disciplinary actions taken or pending against it by state regulatory bodies or professional organizations. Additionally, there has never been any pending or settled litigation, nor any civil or criminal investigations. We are also not aware of any federal or state desk reviews or field reviews of our audits in the last three years.

Our firm has no record of substandard work.

In addition to external quality control reviews, our firm conducts annual in-house monitoring procedures that mirror the external peer review processes, ensuring ongoing compliance and quality in our audit and attest engagements.



Grant Bennett Associates

A PROFESSIONAL CORPORATION

Report on the Firm's System of Quality Control

June 4, 2021

To the Partners of Rogers, Anderson, Malody & Scott, LLP, 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 Rogers, Anderson, Malody & Scott, LLP (the firm) in effect for the year ended November 30, 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 a compliance audit under the Single Audit Act, and an audit of an employee benefit plan.

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 Rogers, Anderson, Malody & Scott, LLP in effect for the year ended November 30, 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*. Rogers, Anderson, Malody & Scott, LLP has received a peer review rating of *pass*.

A handwritten signature in blue ink that reads "Grant Bennett Associates".

GRANT BENNETT ASSOCIATES
A PROFESSIONAL CORPORATION
Certified Public Accountants



10850 Gold Center Drive, Suite 260
Rancho Cordova, CA 95670
916/922-5109 FAX 916/641-5200

Princeville, HI 96722
888/769-7323

Specific audit approach

Engagement approach

Our engagement approach for your audit is meticulously designed to ensure measurable progress and successful outcomes. This involves setting clear goals and maintaining frequent communication between the engagement partner, lead auditor, and the team. Our approach leverages our extensive knowledge and expertise in governmental accounting and auditing to identify and address key audit and accounting risks specific to the government sector. Each year's audit includes a complete reassessment of the control environment, enabling us to respond to any changes in risk assessment effectively.

Key components of our Engagement Approach are as follows:

Knowledge and Experience: With over 77 years of auditing governmental entities of all sizes, we possess in-depth knowledge of the governmental environment. This enables us to perform efficient and effective audits, conduct detailed risk assessments, and identify significant audit risk areas within the City's control environment.

Intelligent Design: Utilizing advanced audit software and data analytic tools (*Engagement* and *Teammate Analytics*), we can analyze large volumes of data quickly, enhancing both the efficiency and effectiveness of our audits.

Professional Oversight: Our partners, managers, and supervisors have extensive experience in governmental audits, allowing us to design and execute audit strategies that are both effective and efficient.

Timeliness: Meeting deadlines is a professional commitment for us. We ensure that all required and agreed-upon deadlines are met.

Open Communication: Maintaining open lines of communication with all parties involved, including City management and staff, helps eliminate surprises and ensures a smooth audit process.

Availability: Our engagement team members are available year-round for any questions or additional consultation. City staff will have direct access to the partner, manager, and supervisory staff during and after the engagement.

Cost-Effectiveness: Our customized audit approach and experienced auditors help reduce overall audit costs while delivering effective audits and high-quality reports.

Risk-Based Approach: We perform detailed risk assessment procedures to understand the City and its environment, including internal controls. This forms the basis for our assessment of risks of material misstatement at the financial statement and relevant assertion levels. We may perform further audit procedures concurrently with risk assessment, as necessary.

Specific audit approach (continued)

As stated elsewhere in our proposal, our primary objective is to conduct an audit of the financial statements in accordance with required auditing standards and to express an opinion on those statements. Our engagement approach also offers several value-added benefits at no additional cost:

Efficiency and Minimal Disruption: Our audits are designed to be efficient and effective, minimizing disruption to office operations.

Practical Observations and Recommendations: We provide practical observations and recommendations on internal control issues, accounting standards implementation, and related policies and procedures.

Operating Efficiency Opportunities: We identify opportunities for operating efficiencies that can help reduce the City's operating costs.

By employing this comprehensive engagement approach, we ensure that the City's audit is conducted with the highest standards of quality and professionalism.

Audit approach and proposed audit segmentation

The following is a summary of the audit team's approach for your engagement. The audit will be divided into the following segments:

Segment 1 - Interim Testing: Planning, Pre-Audit Administration, and Internal Control Testing

Objectives: During this phase, our principal objectives will be to gather information about the City and its environment, including its internal controls over financial reporting.

Approach:

- **Initial Meetings:**
 - Meet with the City's staff to determine convenient dates to begin our audit and to discuss the assistance to be provided by the City's staff.
- **Engagement Team Brainstorming:**
 - Hold brainstorming sessions with engagement team members to discuss the susceptibility of the City's financial statements to material misstatement and fraud.
- **Review and Evaluation:**
 - Review and evaluate the City's accounting and reporting processes by examining the prior year's audit workpapers, City-prepared documents such as budgets, in-house financial reports, policies and procedures manuals, and minutes of governance meetings.
 - Perform analytical procedures to enhance our understanding of the City and identify areas that may need further assessment and additional testing.
- **Regulatory Review:**
 - Review and retain copies of any pertinent local, state, and federal statutes, regulations, or charters that apply to the City.

Specific audit approach (continued)

- **Internal Control Evaluation:**
 - Obtain a thorough understanding of the City's internal controls over financial reporting and compliance by documenting key internal control components, utilizing questionnaires, walkthroughs, inquiries, and observation.
 - Evaluate the design of controls relevant to the audit and test controls, if control risk is to be assessed below maximum, by selecting a sample of transactions and reviewing supporting documentation.
- **Management Communication:**
 - Document and review any findings noted during the testing of internal controls with management.
 - Provide a preliminary management letter with recommendations for improving any weaknesses in operations and suggestions for enhancing the efficiency of the City's operations.
- **Audit Data Analytics:**
 - Utilize powerful audit data analytic software to analyze large amounts of data quickly and focus on areas/transactions that are red-flagged.

IT General Controls:

- **Security Access Controls:**
 - Evaluate general system security settings, password parameters, processes for adding, deleting, and changing security access, access capabilities of various user types, access controls to networks and financial applications, data file access controls, and physical access to networks and servers.
- **Computer Operations:**
 - Evaluate backup and recovery processes and review procedures for identifying and handling operational problems.
- **System Development and Changes:**
 - Evaluate processes related to system development and system changes, if applicable.
- **Application Testing:**
 - Determine the necessity of testing application controls based on professional judgment during the planning stages of the engagement.

Audit Team: This phase will be performed by the audit manager, audit senior, and two to three staff accountants, under the direct supervision of the audit partner.

This comprehensive approach ensures a thorough understanding of the City's financial environment and internal controls, setting a solid foundation for the audit.

Specific audit approach (continued)

Segment 2 - Year-End Testing: Substantive Testing

Objectives: During this phase, our primary objectives will be to assess the risk of material misstatement at the financial statement level and specific assertions, design overall responses to assessed risks and further audit procedures, perform substantive tests, and complete the audit while evaluating audit findings, if applicable.

Approach:

- **Risk Assessment and Audit Plan Development:**
 - Identify significant risks and develop a detailed audit plan using the results from Segment 1.
- **Design and Perform Substantive Tests:**
 - Design substantive tests of account balances tailored to the City's operations and assessed level of risk. Substantive procedures will include testing material balance sheet accounts, material revenue and expenditure/expense accounts, along with various analytical procedures, as necessary.
 - Confirm various accounts with outside parties (e.g., cash, investments).
- **Risk Evaluation:**
 - Determine whether our testing supports the initially assessed level of risk at both the financial statement level and the assertion level.
- **Audit Adjustments:**
 - If any proposed audit adjustments are noted, we will discuss and explain them in detail with the appropriate level of management before posting.

Audit Team: This phase will be performed by the audit manager, audit senior, and two to three staff accountants, under the direct supervision of the audit partner.

Segment 3 - Reporting: Report Preparation and Audit Conclusion (Workpaper Review)

Objectives: During this phase, our principal objectives will be to evaluate whether the financial statements, as a whole, are free from material misstatement, form an opinion(s), and issue our report.

Approach:

- **Material Misstatement Evaluation:**
 - Determine, based on our substantive testing and other procedures, whether the financial statements, as a whole, are free of material misstatement. This will provide the basis for our opinion(s).
- **Workpaper Review:**
 - Review all audit workpapers to ensure the audit was performed in accordance with required standards (GAAS, GAGAS, etc.) and prepare drafts of all required reports by the agreed-upon dates.
- **Quality Control Review:**
 - Conduct an independent review of the financial statement draft by the engagement's quality control partner and issue all reports by the agreed-upon dates.

Audit Team: This phase will be performed by the audit manager, audit senior, and one staff accountant, under the direct supervision of the audit partner. Additionally, the engagement's quality control partner will perform a detailed quality control review of the financial statements.

City of Beaumont Proposal for Professional Auditing Services

Specific audit approach (continued)

Customization and Communication: The procedures listed above are general. After our initial review of the City and our detailed risk assessment, we will customize the engagement to address the specifics of the City and the audit itself. We will determine which procedures to perform based on our risk assessment. All our audits are customized to each entity, ensuring a complete, effective, and efficient audit. Our approach is founded on open communication, a strong knowledge of the City's operations, and detailed planning at the initial stages of the audit.

Timeliness and Resource Allocation: Our firm is dedicated to performing a timely audit engagement. Prior to the start of the audit, we will meet with City staff to agree on adequate timeframes for the performance of the audit and the release of the financial statements. We will allocate the necessary resources to meet these agreed-upon timeframes.

Level of staff and approximate number of hours assigned to each segment

Segment	Partner	Manager	Senior	Staff	Total
Segment 1	5	6	30	57	98
Segment 2	9	10	48	75	142
Segment 3	11	9	42	18	80
Totals*	25	25	120	150	320

* = excludes Single Audit hours

Sample sizes (including for compliance testing)

Our sample sizes will be determined in accordance with the AICPA's *Audit and Accounting Guide, Audit Sampling*, and will be selected using professional judgment or our TeamMate Analytics software, depending upon circumstance, as permitted by Statement on Auditing Standards. Our methods are designed to provide the most audit coverage without expending excess time. Our sample sizes will depend upon our preliminary assessment of control risk, our planned substantive testing and analytical procedures as well as our professional judgement.

We utilize our Computer Aided Audit Tools (CAAT) software, Teammate Analytics, to draw our audit samples. The software allows us to generate random samples, systematic samples, stratified samples, attributes samples as well as monetary unit samples (also called probability-proportional-to-size or dollar unit sampling).

Intelligent audit technology

Our audits leverage advanced technology through powerful software tools such as Engagement and Teammate Analytics. Additionally, all audit team members are connected wirelessly, enabling real-time information sharing. The benefits of our audit technologies include:

Teammate Analytics: This suite of over 200 dynamic Computer Aided Audit Tools (CAATs) allows us to analyze large amounts of data in seconds. Using data directly from the City, we can search for duplicate checks, detect transactions during unusual hours or on holidays/weekends, perform Benford's Law analysis, and identify instances where a vendor has issued multiple invoices with sequential references, among many other tests. This empowers our audit teams to perform powerful and meaningful data analysis, enhancing our value-added services.

Specific audit approach (continued)

Customized Analytical Schedules: We create our own analytical schedules to easily compare current balances to prior year balances and current vs. budget balances, significantly reducing the time required from City staff.

Real-Time Financial Statement Analysis: Once your trial balances and financial statements are entered into our software, we can review your financial statements in the field, allowing us to notice and address any variances immediately.

Linked Financial Statement Schedules: We link financial statement schedules directly to our audit software trial balances, enabling us to provide the City with fund financial statements almost immediately after importing the trial balances.

Audited Trial Balances: We provide the City with audited trial balances that show the coding of the financial statement schedules, making it easier for City staff to review. These reports include each account coded to a specific financial statement line item/function and journal entries posted during the audit.

Analytical procedures

To effectively utilize analytical procedures, industry background and knowledge are essential. With our firm's extensive experience and qualified staff, we possess the necessary knowledge to apply analytical procedures efficiently throughout our audit of the City.

- **Interim Phase:**
 - Compare current and prior year unadjusted balances to identify areas requiring additional analysis.
 - Compare current year actual amounts to the City's annual budget (both original and adopted).

- **Final Phase:**
 - Perform procedures similar to those in the interim phase.
 - Compare certain financial ratios for current and prior years.
 - Conduct reasonableness tests.
 - Investigate any significant variances further through inquiry and additional substantive testing until resolved to our satisfaction.

- **Post-Fieldwork:**
 - Compare current and prior year audited balances, considering expected relationships based on our knowledge of the City, similar entities, and the general economic environment.
 - Utilize additional analytical techniques such as trend analysis as needed.

Unlike other audit firms, we use analytical procedures to supplement, not supplant, our substantive testing, ensuring a thorough and comprehensive audit

Auditing in a remote environment

The evolution of technology has revolutionized the accounting and auditing profession, enabling us to provide high-quality services remotely with efficiency, precision, and timeliness. During the COVID-19 pandemic, our firm adapted quickly to a fully remote audit environment and developed processes that have since become integral to our standard approach. These advancements not only enhanced the quality of our audits but also resulted in significant efficiencies for both our team and our clients.

Specific audit approach (continued)

Remote Audit Approach

- **Technology Utilization:**
 - We use secure cloud-based platforms for document sharing and management, such as Engagement Organizer, ensuring client data remains safe and accessible.
 - Video conferencing tools (e.g., Zoom, Microsoft Teams) facilitate real-time communication with City staff, enabling collaborative discussions and efficient issue resolution.
- **Workflow and Communication:**
 - Regular Communication: We maintain routine contact with clients throughout all phases of the audit via email, phone calls, and video meetings.
 - Responsiveness: Our team prides itself on quick turnaround times for questions or issues, making remote collaboration as seamless as on-site interactions.
- **Flexibility for On-Site Presence:**
 - While we anticipate performing the majority of our work remotely, we understand that some aspects of the audit may benefit from an on-site presence. If desired, we will work with the City to determine an acceptable staffing level for in-person activities, balancing health, safety, and operational needs.

Benefits of Remote Auditing

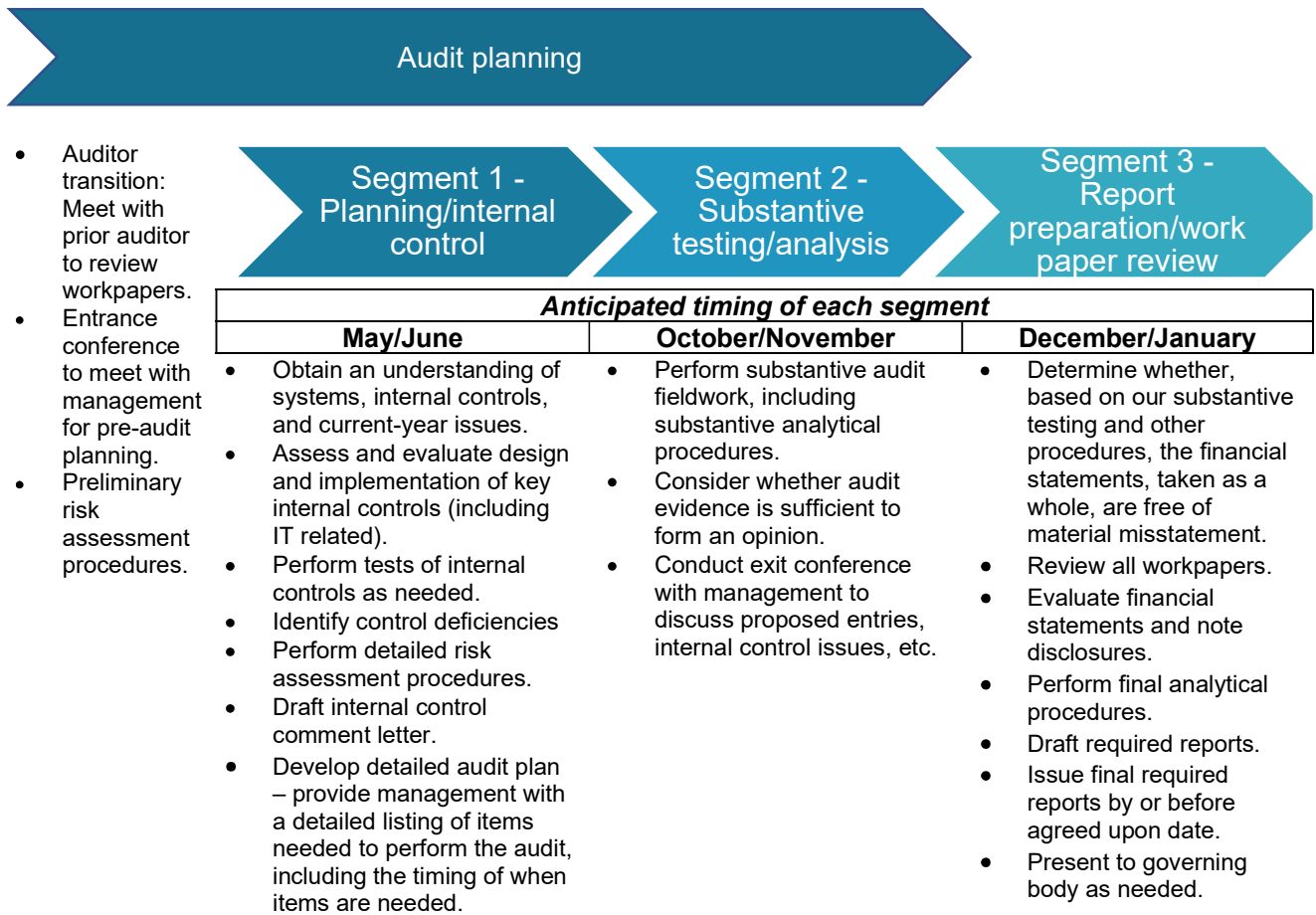
- **Efficiency Gains:**
 - Remote auditing reduces the need for travel time, allowing both auditor and auditee to focus on the tasks at hand, resulting in faster turnaround on requests and issue resolution.
 - Immediate access to digital documents and records eliminates delays associated with physical transfers of information.
- **Enhanced Quality of Life:**
 - By minimizing travel, our staff can dedicate more time to client work and professional development, improving overall morale and productivity.
- **Environmental Impact:**
 - Reducing unnecessary travel decreases traffic congestion, lowers fuel consumption, and contributes to improved air quality in Southern California.
- **Year-Round Availability:**
 - Our remote-first approach fosters an ongoing partnership, encouraging clients to reach out throughout the year for guidance on matters that could impact the audit or their financial reporting.

Commitment to client collaboration

We understand that each client's needs are unique, and we remain flexible in our approach to ensure the audit process aligns with the City operational requirements. Our primary goal is to provide a smooth and efficient audit experience, leveraging technology while maintaining the personal connection and professionalism our clients expect. Should the need arise for on-site activities, our team will seamlessly integrate in-person work while maintaining the efficiencies gained through remote auditing practices.

Specific audit approach (continued)

Proposed audit timing



City staff

Our firm recognizes that effective communication is critical to the success of any audit engagement, especially when working with municipal clients. We prioritize proactive, transparent, and consistent communication to ensure alignment with City staff, jurisdictional stakeholders, and the public. Our approach includes the following elements:

- **Kickoff Meeting:** At the outset, we will hold a comprehensive kickoff meeting with City staff and relevant stakeholders to establish expectations, timelines, and key deliverables. This meeting will allow us to identify primary points of contact, preferred communication methods, and any specific concerns or priorities of City staff.
- **Regular Status Updates:**
 - **Frequency:** Weekly or biweekly check-ins (virtual or in-person) to discuss progress, address concerns, and update City staff on the audit’s status.
 - **Deliverables:** Updates will include upcoming deadlines and any potential obstacles requiring City input or action.

City staff (continued)

- **Collaborative Stakeholder Engagement:**
 - **Other Jurisdictional Stakeholders:** When applicable, we will coordinate meetings or requests with other jurisdictional entities (e.g., pension plan administrators, grantors) to minimize duplication of efforts and ensure consistency in information sharing.
 - **Public Communication (if necessary):** If the audit findings require public presentation, we will collaborate with City staff to prepare materials, ensure transparency, and present information in a manner that is clear and accessible to all stakeholders.
- **Communication Channels:** We will utilize email, virtual collaboration tools (such as Microsoft Teams or Zoom), and secure document-sharing platforms to facilitate efficient communication and minimize disruption to City operations.

Specific tasks required from City staff

To perform the audit efficiently, we will require the following tasks and support from City staff:

- **Document Preparation and Provision:**
 - Trial balances, general ledger details, and reconciliations for key accounts.
 - Supporting schedules for capital assets, revenues, expenditures, and debt obligations, etc.
 - Copies of policies, procedures, contracts, and agreements relevant to the scope of the audit.
- **System Access and Support:**
 - Access to financial systems, reports, and databases necessary for testing and analysis.
 - Availability of IT personnel for queries related to system-generated reports, if needed.
- **Coordination with Departments:**
 - Assistance in scheduling meetings with department heads and other relevant stakeholders, if needed.
 - Coordination to ensure timely responses to audit requests.
- **Feedback on Findings:**
 - Review and validation of preliminary audit findings to ensure accuracy and provide context.

Respective roles

City Staff Roles:

- **Primary Point of Contact:** Serve as the liaison between our audit team and City departments to streamline communication and provide requested information promptly.
- **Information Providers:** Deliver accurate and timely data, supporting documentation, and responses to audit inquiries.
- **Reviewers:** Review draft findings, journal entries, provide feedback, and assist in clarifying any discrepancies.

Our Firm's Roles:

- **Project Management:** Take full responsibility for planning, executing, and monitoring all aspects of the audit process.
- **Data Analysis:** Conduct detailed testing and analysis of financial data to ensure compliance and accuracy with generally accepted accounting principles.

City of Beaumont Proposal for Professional Auditing Services

City staff (continued)

- **Issue Resolution:** Identify, document, and communicate any discrepancies or concerns, and work collaboratively with City staff to resolve them.
- **Reporting:** Prepare clear, concise reports summarizing findings, recommendations, and areas for improvement, ensuring compliance with applicable standards.

By maintaining a collaborative and structured approach, we aim to deliver a seamless audit process that meets the City's needs while minimizing disruption to daily operations.

Specific expertise desired

Our firm has substantial experience providing audit and advisory services to municipalities with extensive use of Community Facility Districts (CFDs), Development Impact Fees (DIFs), and land-secured bond issuances. This specialized expertise allows us to understand the complexities and nuances associated with these financial instruments and funding mechanisms.

Community Facility Districts (CFDs):

- **Audit Expertise:** Our team has audited numerous CFD issuances, including recording the issuance, testing for compliance, and the proper allocation of funds to authorized uses.
- **Governance and Oversight:** We have experience reviewing the administration of CFDs to ensure compliance with the Mello-Roos Community Facilities Act, including annual reporting requirements, and proper segregation of funds.

Development Impact Fees (DIFs):

- **Compliance Audits:** We have audited DIF programs for several municipalities, ensuring that fee collections, and expenditures align with applicable legal requirements, including California's Mitigation Fee Act (AB 1600).
- **Program Management:** Our work includes assessing whether DIFs are used appropriately to fund infrastructure and public facilities directly related to development impacts.

Land-Secured Bond Issuances:

- **Issuance and Compliance:** We have extensive experience auditing land-secured bonds, such as those used to finance public infrastructure within CFDs. This includes reviewing official statements, assessing compliance with continuing disclosure obligations, and evaluating the use of proceeds.
- **Debt Service and Credit Analysis:** Our team is skilled in analyzing debt service schedules, coverage ratios, and assessing the fiscal health of the issuing district to ensure long-term viability and compliance with bond covenants.

We are confident that our demonstrated expertise in CFDs, DIFs, and land-secured bonds will add significant value to the City's financial oversight and help maintain public trust in these critical funding mechanisms.

City of Beaumont Proposal for Professional Auditing Services

Key personnel

Quality of service and engagement team

The quality of service you receive hinges on the capabilities of the individuals assigned to your engagement and how effectively these personnel resources are organized. Our professionals are highly trained, knowledgeable, and have a deep understanding of the environment in which governmental and not-for-profit entities operate. This expertise is crucial for providing the City with an effective and efficient audit.

Our engagement team brings significant experience and a practical understanding of governmental accounting and auditing, combined with a broad business perspective. Each member has access to a wide range of technical resources and knowledge bases, enabling them to offer practical observations and effective solutions to the City.

Partner and supervisory staff involvement

Our partners and supervisory staff are actively and continuously involved in all aspects of their engagements. We believe that their involvement is a key aspect of the overall audit process. This includes being on-site for interim and year-end fieldwork, ensuring a proper, efficient, and effective audit with minimal disruption to your staff. The time spent on-site by partners and supervisory staff allows them to understand the City's accounting processes and procedures thoroughly. This understanding helps in evaluating and developing opportunities for efficiency and offering practical advice to improve your accounting processes and procedures.

All professionals on this engagement have extensive experience with audits similar to the City's, eliminating the need for the City to train our team.

Partner, supervisory, and staff qualifications and experience

Staff continuity

Maintaining continuity of audit staff is a principal concern for our firm. To retain our staff, we offer competitive wages, advancement opportunities, generous medical packages, a retirement plan, bonus opportunities, and educational benefits. While we strive for continuity, we acknowledge that staff changes may occur. We plan to provide consistent staff year to year, which is in the best interest of both the City and our firm. Continuity ensures an orderly, efficient, and less disruptive audit experience. In case of staff changes, principal supervisory and management staff, including engagement partners, managers, other supervisory staff, and specialists, may be replaced if they leave the firm or are promoted. However, the City reserves the right to accept or reject replacements.

Due to the significant involvement of our partners in all engagements, any staff transition would have a minimal impact on audit efficiency and effectiveness in subsequent years.

Continuing professional education

Our auditor specialists stay current in this technical practice area by adhering to, and typically exceeding, the continuing professional education requirements of Government Auditing Standards and the State Board of Accountancy guidelines. All professionals at our firm participate in continuing professional education (CPE) programs sponsored by various organizations, including the Government Finance Officers Association, the American Institute of Certified Public Accountants, the California State Society of Certified Public Accountants, the California Society of Municipal Finance Officers, and the Association of Government Accountants. These programs ensure our clients are serviced by the best-trained and most proficient government auditors and accountants available. We also provide in-house training conducted by our partners and senior staff using published resources. All staff are required to attend fraud and ethics training. Our goal is to provide professional staff with continuing education that exceeds the minimum standard of 80 hours over two years.

Partner, supervisory, and staff qualifications and experience (continued)

According to our firm's Quality Control document and Government Auditing Standards (GAS), all staff working on audits subject to GAS must complete CPE in line with GAS standards, requiring 24 hours directly related to governmental accounting and auditing.

To further increase our technical knowledge, we utilize resources such as the Governmental Audit Quality Center Annual Webcast Update, other relevant seminars, and monthly publications from the AICPA, the GFOA, and other sources. We also attend conferences and seminars sponsored by the GFOA, California Society of Municipal Finance Officers, California State Society of Certified Public Accountants, and the California Special Districts Association.

Assigned personnel

Our goal is to provide you with capable, competent, and personable individuals who possess an extensive background in governmental accounting and auditing and general business practices. This allows us to offer practical solutions and technical support, keeping you at the forefront of governmental accounting and helping you navigate complex issues.

Our engagement team has the managerial and supervisory experience to provide the City with a comprehensive audit of the highest quality while focusing on personal service. The resumes of the key engagement personnel assigned to the audit are presented below. These individuals will be assigned to the engagement for the entire contract period.

Scott W. Manno, CPA, CGMA – Partner, Engagement Partner

Scott will serve as the Engagement Partner for your municipal audit. He is licensed to practice as a certified public accountant in the State of California and brings over 29 years of public accounting experience, specializing in serving local governments. As the engagement partner, Scott will be responsible for the overall quality of the engagement, ensuring it is performed efficiently and effectively. He will directly oversee all engagement staff, assist in planning and performing the engagement, and review all workpapers and required reports prepared during the engagement.

Scott, like all our partners, is a working partner and will be actively involved in all aspects of the engagement, ensuring a high standard of service and attention to detail throughout the process.

Brianna Schultz, CPA - Partner, Concurring Partner

Brianna will be the Concurring Partner. She is licensed to practice as a certified public accountant in the State of California. She has over 15 years of practical, governmental accounting and auditing experience. As the concurring partner Brianna will work directly with Scott in planning and performing the engagement. In addition, she will provide technical consultation for the engagement team.

Gardenya Duran, CPA, CGMA – Partner, Quality Control Reviewer

Gardenya will be the Quality Control Reviewer. She is licensed to practice as a certified public accountant in the State of California and has over 15 years of practical, governmental accounting and auditing experience. Gardenya will be responsible for the final quality control review of all released opinions and related reports.

Partner, supervisory, and staff qualifications and experience (continued)

Veronica Hernandez, CPA – Audit Manager

Veronica is an Audit Manager with the firm. She is licensed to practice as a certified public accountant in the State of California. Veronica has over 9 years' experience in providing accounting and auditing services for municipalities, special districts and various not-for-profit organizations. As an audit manager, she will work directly with the audit in-charge and partner, while supervising the engagement team during all phases of the engagement. In conjunction with the audit in-charge, she will also oversee the preparation of any required reports.

Devin Feldhut – Audit Senior

Devin is an Audit Senior with our firm, bringing three years of experience in providing accounting and auditing services to municipalities, special districts, and various not-for-profit organizations.

As an Audit Senior, Devin will work closely with the engagement partner and manager. He will be responsible for planning the audit, supervising the staff assigned to the engagement, and reviewing all workpapers prepared for the engagement. Additionally, he will oversee the preparation of any required reports, ensuring thoroughness and compliance with all standards.

Mr. Terry Shea, CPA – Consultant

Terry is a retired municipal audit partner with the firm providing consulting services. He is licensed to practice as a certified public accountant in the State of California. Terry has over 40 years of public accounting experience and has provided accounting, auditing, and consulting services for municipalities, special districts, water agencies, and various not-for-profit organizations. Terry will assist on an as needed basis with the engagement. In addition, he will provide technical consultation for the engagement team.

Staff level accountants

All our staff accountants working on governmental audits are highly qualified to perform these audits. Prior to the audit season, our staff undergoes rigorous training that covers all aspects of our audit process and programs, ensuring they have a solid foundation before starting fieldwork. Each staff member is encouraged to take on increased responsibilities in engagements they have previously worked on, enabling them to grow and continually enhance their skills and knowledge.

In summary, we emphasize the credentials of the professionals who will be directly responsible for the quality of service you will receive. Additionally, our audit team possesses an important, albeit intangible, attribute: the professionals assigned to your audits have previously worked together as a multi-disciplined team. This ensures a smooth, efficient, and effective audit process. We are committed to allocating the necessary resources to ensure continuity of personnel throughout our relationship with the City.

City of Beaumont Proposal for Professional Auditing Services

Partner, supervisory, and staff qualifications and experience (continued)

Engagement team resumes



Scott W. Manno, CPA, CGMA
Engagement Partner

Professional experience

Mr. Manno began his career with Thomas, Bigbie and Smith in 1996 after serving in the United States Army. He spent six years with the firm primarily working on audits of municipalities, special districts and redevelopment agencies as well as various not-for-profit organizations. He joined Rogers, Anderson, Malody & Scott, LLP in July 2001. Currently, Mr. Manno serves as a technical reviewer for the GFOA ACFR Award program and he is also on the GFOA Special Review Executive Committee. In addition, he is part of the California State Society of Certified Public Accountants Governmental Accounting which meets periodically to discuss current events, pronouncements, etc.

Education/licenses

Bachelor of Science, Business Administration – California State University, San Bernardino
Certified Public Accountant – State of California
Chartered Global Management Accountant – American Institute of Certified Public Accountants

Related professional experience

Partial listing of relevant governmental agencies served (*includes enterprise fund accounting):

City of El Cajon*	Town of Yucca Valley	City of La Mesa*	City of Santee
City of Sierra Madre*	City of Santa Paula*	City of Beaumont*	City of 29 Palms
City of Moreno Valley*	City of Beaumont*	City of San Marcos*	City of Loma Linda*
City of Live Oak*	City of Perris*	City of Exeter*	City of Woodlake*
City of San Jacinto*	City of Menifee	City of Rolling Hills Est.	City of Ojai*

Mr. Manno has completed over 232 hours of continuing professional education courses over the past three years of which the following select courses are relevant to this engagement:

- ◆ Government Risk Assessment
- ◆ Audits of State and Local Governments
- ◆ Government Accounting and Auditing Update
- ◆ State and Local Government Audit Planning Considerations

Professional affiliations

Mr. Manno is a member of the following organizations:

- ◆ American Institute of Certified Public Accountants (AICPA)
- ◆ California Society of Certified Public Accountants (CalCPA)
- ◆ Association of Government Accountants (AGA)
- ◆ Association of Certified Fraud Examiners (ACFE)
- ◆ Government Finance Officers Association (GFOA)
- ◆ California Special Districts Association (CSDA)
- ◆ California Society of Municipal Finance Officers (CSMFO)

Partner, supervisory, and staff qualifications and experience (continued)



Brianna Schultz, CPA, CGMA
Concurring Partner

Professional experience

Mrs. Schultz began her career with Rogers, Anderson, Malody & Scott, LLP in July 2014, and had over three years' experience with another public accounting firm serving the same industry. Currently, Mrs. Schultz serves as a technical reviewer for the GFOA ACFR Award program. During her time with the firm, she has worked primarily on audits of municipalities, special districts and redevelopment agencies, as well as various non-profit organizations.

Education

Bachelor of Science – California State University, San Bernardino
Certified Public Accountant – State of California
Chartered Global Management Accountant – American Institute of Certified Public Accountants

Related professional experience

Partial listing of relevant governmental agencies served (*includes enterprise fund accounting):

City of Menifee	City of Aliso Viejo	City of Claremont*	City of Chino*
City of Glendora*	City of Rolling Hills Est.	City of San Bernardino	City of Sierra Madre*
City of La Verne*	City of Loma Linda*	City of South Pasadena*	City of West Covina*
City of La Mesa*	City of Baldwin Park	City of El Cajon*	City of Hawthorne*

Mrs. Schultz obtained the AICPA's *Advanced Single Audit Certificate* in 2019 and the *Intermediate Single Audit Certificate* in 2017. She served as the contract Interim Accounting Manager for the City of Glendora in 2016 and the Senior Accountant for the City of Rancho Cucamonga in 2015. Additionally, she is a reviewer for the GFOA ACFR Program.

Continuing professional education

Mrs. Schultz has completed over 160 hours of continuing professional education courses over the past three years of which the following select courses are relevant to this engagement:

- ◆ Governmental Accounting and Auditing Conference
- ◆ 2022 Single Audit Update
- ◆ How to Implement GASBS 87 and Maintain Compliance

Professional Affiliations

Mrs. Schultz is a member of the following organizations:

- ◆ American Institute of Certified Public Accountants (AICPA)
- ◆ California Society of Certified Public Accountants (CalCPA)
- ◆ Government Finance Officers Association (GFOA)
- ◆ California Society of Municipal Finance Officers (CSMFO)

City of Beaumont Proposal for Professional Auditing Services

Partner, supervisory, and staff qualifications and experience (continued)



Gardenya Duran, CPA, CGMA
Quality Control Partner

Professional experience

Mrs. Duran joined Rogers, Anderson, Malody & Scott, LLP in June 2010. She works primarily on audits of governmental agencies, small to mid-sized businesses, and nonprofit organizations. Currently, Mrs. Duran serves as a technical reviewer for the GFOA ACFR Award program. Prior to joining our firm, she was an Information Systems Technician in the U.S. Navy for nine years.

Education/licenses

Bachelor of Science – California State University, San Bernardino
Certified Public Accountant – State of California
Chartered Global Management Accountant – American Institute of Certified Public Accountants

Related professional experience

Partial listing of relevant governmental agencies served (*includes enterprise fund accounting):

City of Hawthorne*	City of El Cajon*	City of Aliso Viejo	City of Capitola
City of Poway*	City of San Jacinto*	City of San Bernardino	City of S. Pasadena
City of Canyon Lake	City of San Marcos*	City of Redondo Beach*	City of West Covina*
City of La Mesa*	City of Thousand Oaks*	City of Claremont*	

Continuing professional education

Mrs. Duran has completed over 110 hours of continuing professional education courses in the past three years of which the following select courses are relevant to this engagement:

- ◆ GASB Update
- ◆ Insights from Lease Implementation
- ◆ Intermediate Governmental Accounting
- ◆ Audits of State and Local Governments

Professional affiliations

Mrs. Duran is a member of the following professional organizations:

- ◆ American Institute of Certified Public Accountants (AICPA)
- ◆ California Society of Certified Public Accountants (CalCPA)
- ◆ Government Finance Officers Association (GFOA)
- ◆ California Society of Municipal Finance Officers (CSMFO)

Partner, supervisory, and staff qualifications and experience (continued)

Veronica Hernandez, CPA
Audit Manager



Professional experience

Ms. Hernandez is an audit manager with the firm. She has over 9 years' experience in providing accounting and auditing services for municipalities, special districts and various nonprofit organizations. As an audit manager, she will work closely with the engagement partner and manager and be responsible for planning the audit, supervising the staff assigned to the engagement, and performing reviews of all workpapers prepared for the engagement. In addition, she will also be responsible for the preparation of any required reports. Currently, Ms. Hernandez serves as a technical reviewer for the GFOA ACFR Award Program

Education

Bachelor of Science – California State University, San Bernardino
Certified Public Accountant – State of California

Related professional experience

Partial listing of relevant governmental agencies served (*includes enterprise fund accounting):

City of Santa Paula*	City of Santee	City of Beaumont*	City of Moreno Valley*
City of San Marcos*	City of La Verne*	City of Loma Linda*	City of Fillmore*
City of El Cajon*	City of West Covina*	City of Redondo Beach*	Town of Yucca Valley
City of Aliso Viejo	City of Moorpark*	City of San Jacinto*	City of La Mesa*
City of Claremont*	City of Hawthorne	City of Poway*	

Continuing professional education

Ms. Hernandez has completed over 100 hours of continuing professional education courses over the past two years of which the following select courses are relevant to this engagement:

- ◆ Governmental Accounting and Auditing Update: GASB 87 Leases
- ◆ Promises and Pitfalls of American Rescue Plan Grants & Others
- ◆ A 360 view of OPEB Trust
- ◆ Critical Concepts of Accounting for Capital Assets
- ◆ Discover GFOA Best Practices

Professional affiliations

Ms. Hernandez is a member of the following professional organizations:

- ◆ American Institute of Certified Public Accountants (AICPA)
- ◆ California Society of Certified Public Accountants (CalCPA)
- ◆ California Society of Municipal Finance Officers (CSMFO)

City of Beaumont Proposal for Professional Auditing Services

Partner, supervisory, and staff qualifications and experience (continued)



Devin Feldhut
Audit Senior

Professional experience

Mr. Feldhut joined Rogers, Anderson, Malody & Scott, LLP in 2022, primarily providing accounting and auditing services for municipalities, special districts, and various nonprofit organizations. As an audit senior, he will work closely with the engagement partner and manager and be responsible for planning the audit, supervising the staff assigned to the engagement, and performing reviews of all workpapers prepared for the engagement. In addition, he will also be responsible for the preparation of any required reports.

Education

Bachelor of Arts in Business Administration - California State University, San Bernardino

Related professional experience

Partial listing of relevant governmental agencies served (*includes enterprise fund accounting):

City of Goleta	City of Menifee	City of Signal Hill
City of Murrieta*	City of San Marcos*	City of Exeter
City of Carpinteria*	City of South Pasadena*	City of El Cajon*
City of Loma Linda	City of Los Alamitos*	City of Woodlake

Continuing professional education

Mr. Feldhut has completed the following select courses that are relevant to this engagement:

- ◆ Auditing Notes and Disclosures
- ◆ Schedule of Expenditures of Federal Awards
- ◆ GASB 91 Implementation

Professional affiliations

Mr. Feldhut is a member of the following professional organizations:

- ◆ California Society of Certified Public Accountants (CalCPA)
- ◆ California Society of Municipal Finance Officers (CSMFO)

City of Beaumont Proposal for Professional Auditing Services

Disclosure

We have been the City's auditor for the last five (5) years. We have no current business or personal relationships with any current Beaumont elected official, appointed official, City employee, or family member of any current Beaumont elected official, appointed official, or City employee.

References

Entity:	City of El Cajon
Scope of work:	City ACFR*/Successor Agency/Public Financing Authority/Single Audit/GANN limit/Measure O
Date:	Years ending June 30, 2008 - present
Engagement partner:	Mr. Scott Manno
Total hours:	Approximately 420 hours each year
Contact person:	Mr. Luca Gonzalez, Finance Manager, (619) 441-1668
Entity:	City of Thousand Oaks
Scope of work:	Financial Audit/ACFR*/Successor Agency/Single Audit
Date:	Years ending June 30, 2018 - present
Engagement partner:	Mrs. Gardenya Duran
Total hours:	Approximately 420 hours each year
Contact person:	Ms. Elisa Magana, Accounting Manager, (805) 449-2216
Entity:	City of San Marcos
Scope of work:	Financial Audit/ACFR*/Successor Agency/Single Audit
Date:	Years ending June 30, 2014 - present
Engagement partner:	Mr. Terry Shea/Scott Manno
Total hours:	Approximately 400 hours each year
Contact person:	Ms. Donna Apar, Finance Director, (760) 744-1050
Entity:	Town of Yucca Valley
Scope of work:	Financial Audit/ACFR*/Successor Agency
Date:	Years ending June 30, 2008 - present
Engagement partner:	Mr. Scott Manno
Total hours:	Approximately 350 hours each year
Contact person:	Mr. Curtis Yakimow, Town Manager (760) 369-7207
Entity:	City of Menifee
Scope of work:	Financial Audit/ACFR*
Date:	Years ending June 30, 2014 - present
Engagement partner:	Mr. Scott Manno
Total hours:	Approximately 350 hours each year
Contact person:	Ms. Ann-Marie Etienne, Finance Manager, (951) 672-6777
Entity:	City of San Jacinto
Scope of work:	Financial Audit/ Single Audit/Successor Agency
Date:	Years ending June 30, 2011 - present
Engagement partner:	Mr. Scott Manno/Mrs. Gardenya Duran
Total hours:	Approximately 350 hours each year
Contact Person:	Mr. Tom Prill, Deputy City Manager, (951) 487-7330

City of Beaumont Proposal for Professional Auditing Services

References (continued)

Entity:	City of Imperial Beach
Scope of work:	Financial Audit
Date:	Years ending June 30, 2021 - present
Engagement partner:	Mrs. Gardenya Duran
Total hours:	Approximately 350 hours each year
Contact person:	Mrs. Lily Flyte, Finance Director, (619) 628-1365
Entity:	City of San Dimas
Scope of work:	Financial Audit
Date:	Years ending June 30, 2021 - present
Engagement partner:	Mrs. Gardenya Duran
Total hours:	Approximately 350 hours each year
Contact person:	Mr. Michael O'Brien Finance Director, (909) 394-6200
Entity:	City of Rolling Hills Estates
Scope of work:	Financial Audit/ACFR
Date:	Years ending June 30, 2019 - present
Engagement partner:	Mr. Scott Manno
Total hours:	Approximately 250 hours each year
Contact person:	Mr. Mike Whitehead, Admin. Services Director, (310) 377-1577, ext.112
Entity:	City of Woodlake
Scope of Work:	Financial Audit/Single Audit
Date:	Years ending June 30, 2018 - present
Engagement partner:	Mr. Scott Manno
Total hours:	Approximately 225 hours each year
Contact Person:	Mr. Ramon Lara, City Administrator, (559) 564-8055
Entity:	City of Twentynine Palms
Scope of work:	Financial Audit/Successor Agency/Single Audit
Date:	Years ending June 30, 2010 - present
Engagement partner:	Mrs. Brianna Schultz
Total hours:	Approximately 225 hours each year
Contact person:	Mrs. Abigail Hernandez-Conde, Finance Director/Treasurer, (760) 367-6799, ext. 1013
Entity:	City of Loma Linda
Scope of work:	Financial Audit/RDA/Successor Agency
Date:	Years ending June 30, 2013 - present
Engagement partner:	Mrs. Brianna Schultz
Total hours:	Approximately 225 hours each year
Contact person:	Ms. Sonia Fabela, Finance Director/Treasurer, (909) 799-2840
Entity:	City of Exeter
Scope of Work:	Financial Audit/Transportation Fund Audit
Date:	Years ending June 30, 2018 - present
Engagement partner:	Mr. Scott Manno
Total hours:	Approximately 200 hours each year
Contact Person:	Ms. Eekhong Franco, Finance Director, (559) 592-2755

City of Beaumont Proposal for Professional Auditing Services

Overview and scope of services

Services to be provided

The City desires the auditor to express opinions on the fair presentation of the financial statements for the following: the City of Beaumont accordance with generally accepted accounting principles.

In addition, we shall:

- Prepare the financial statements (ACFR) with management's direct oversight and approval.
- Apply certain limited procedures related to Management's Discussion and Analysis and Required Supplementary Information and provide an "in-relation-to" report on the combining and individual fund financial statements and supporting schedules, if applicable.
- Provide opinions as to the compliance with the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (OMB Uniform Guidance). RAMS is to provide an "in-relation-to" report on the Schedule of Expenditures of Federal Awards based on the auditing procedures applied during the audit of the financial statements.
- Test compliance with Article XIII B pertaining to the City's appropriation limit and prepare an Agreed-Upon Procedures report to the City Council regarding compliance.
- Provide 10 hours of continuing education.
- As needed services.

Our audit(s) will be in accordance with:

- Generally Accepted Auditing Standards as promulgated by the American Institute of Certified Public Accountants, including requirements found in the most recent AICPA audit guide *Audits of State and Local Governments*.
- *Government Auditing Standards* issued by the Comptroller of the United States of America.
- Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (OMB Uniform Guidance).
- Any other applicable standards for other items outlined in the Scope of Work to be performed and/or reports to be issued.

Reports to be issued:

- A report on the fair presentation of the financial statements in conformity with GAAP.
- A report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards* (material weaknesses or significant deficiencies).
- A report in compliance with requirements applicable to each major federal program and internal control over compliance in accordance with the *Uniform Guidance*.
- Prepare Management Letter that includes significant and less significant (i.e., reportable and non-reportable) recommendations for improvements to internal control.
- We will issue reports to those charged with governance (SAS 114 letters) as required by auditing standards.

RAMS will also perform the following:

- Make an immediate, written notification of all irregularities and illegal acts or indication of illegal acts of which we become aware to the following: City Manager and City Attorney.



JANUARY 17, 2025

CITY OF BEAUMONT

COST PROPOSAL FOR PROFESSIONAL AUDITING SERVICES
FOR THE FISCAL YEARS ENDING JUNE 30, 2025 THROUGH 2029
(WITH THE OPTION FOR A ONE-YEAR EXTENSION)

CONTACT PERSONS:
SCOTT MANNO, CPA, CGMA
smanno@ramscpa.net

BRIANNA SCHULTZ, CPA, CGMA
bschultz@ramscpa.net

909.889.0871

PREPARED BY
ROGERS ANDERSON MALODY & SCOTT, LLP
735 E Carnegie Drive, Suite 100
San Bernardino, CA 92408

LICENSE #2596
FEIN 95-2662063

City of Beaumont Proposal for Professional Auditing Services Cost Proposal

Cost summary

As highlighted in our technical proposal, we believe our fee estimate represents a fair and reasonable investment, aligned with the high level of service and expertise provided by our audit team members. While our bid may not be the lowest, our focus is on delivering the best value, and our pricing reflects this commitment.

We understand the importance of cost considerations and do not want fees to be a barrier in the City's selection of an auditor. We are open to discussing and negotiating fee-related matters to ensure they meet the City's needs and expectations.

In accordance with the Request for Proposal for Audit Services issued by the City of Beaumont, Rogers, Anderson, Malody & Scott, LLP hereby submits the following all-inclusive maximum cost proposal:

	Fiscal years ending June 30,				
	2025	2026	2027	Option years 2028 2029	
Basic report to be issued					
City audit, including ACFR and related reports	\$ 58,650	\$ 58,650	\$ 60,500	\$ 62,375	\$ 64,250
Total	\$ 58,650	\$ 58,650	\$ 60,500	\$ 62,375	\$ 64,250
Additional Audit Reports as needed					
Single Audit* and related reports	\$ 6,270	\$ 6,270	\$ 6,520	\$ 6,720	\$ 6,920
Total	\$ 6,270	\$ 6,270	\$ 6,520	\$ 6,720	\$ 6,920

* = for the first major program, each additional major program \$4,250.

Hours and rates for 2025 audit (and for additional professional services):

Position	Hourly rate	Estimated hours*	Estimated charges
Partner	\$ 400	25	\$ 10,000
Manager	200	25	5,000
Senior accountant	170	120	20,400
Staff accountant	155	150	23,250

* = excludes Single audit

I hereby certify that the undersigned is authorized to represent the firm stated above, and empowered to submit this bid, and if selected, is authorized to sign a contract with the City, for the services identified in the Request for Proposals.

Firm name: Rogers Anderson Malody & Scott, LLP

Signature: 

Printed name: Scott W. Manno, CPA, CGMA

Title: Partner

Date: January 17, 2025

Cost summary (continued)

Governmental Accounting Standards Board Statements (GASBS) implementation

One potential problem could be the implementation of any future GASBS. With our deep understanding of governmental accounting and auditing, constant training, and broad resources, we do not anticipate any issues during a GASB implementation. Our approach to any GASB statement implementation would be as follows: gain a thorough understanding of the pronouncement; determine applicability to the City; if applicable, discuss the statement and how it will affect the City with City staff; and provide guidance to City staff on the accounting and financial reporting implications.

Condition of records

Our proposed fee assumes the following: the City will be adequately prepared for the audit and the City's financial operations and working trial balance will be consistent from year to year. If, after we receive the working trial balances, we notice there are excessive new accounts over the prior year; or if there are excessive subsequent journal entries; prepared by client workpapers do not agree to the working trial balances, there are new funds/functions within the City, etc., or other changes that necessitate a significant amount of time to address, we will need to come to an agreed upon change order to address any possible additional costs incurred by the firm. If the need for additional work comes to our attention, we will immediately notify City staff. If you choose to have us perform the additional work, then such work will be performed at the same hourly rates applicable to the audit and set forth in an addendum to the contract between the City and our firm.

Management is also responsible for the implementation of new standards issued by the Governmental Accounting Standards Board. We will provide reasonable assistance in the preparation of the items, but any significant time needed to complete the financial statements will be billed separately.

Our proposed fee is also dependent on all items requested being completed in the format requested or in a mutually agreed upon format and uploaded to the Engagement Organizer hosted by our firm in a timely manner in accordance with the agree-upon audit timeline.

Software conversion/change

We understand that the City may occasionally implement software changes or conversions as part of its ongoing efforts to improve operational efficiency and financial management. Our firm is well-equipped to support clients through these transitions and ensure that the audit process remains seamless.

If the City initiates a software change or conversion, our firm will work closely with City staff to update account numbers, names, coding, and other financial data elements in alignment with the new system. However, due to the additional time and resources required to accommodate these changes, there will be a minimum charge of \$5,000 associated with this work.

This fee covers:

- **Data Mapping and Reconciliation:**
 - Updating account structures and mapping old accounts to the new system.
 - Verifying accuracy and consistency in account names, numbers, and coding.

Cost summary (continued)

- **System Testing and Validation:**
 - Testing reports and financial statements generated from the new system to ensure they align with audit requirements.
 - Addressing discrepancies or issues resulting from the conversion.
- **Process Adjustments:**
 - Modifying audit procedures to align with the new system's capabilities and reporting outputs.
 - Providing guidance on system-generated reports required for audit purposes.

We are committed to working efficiently and collaboratively with the City to minimize disruption and ensure a smooth transition. This additional charge reflects the specialized expertise and resources necessary to maintain the integrity and quality of the audit during periods of significant system change.

EXHIBIT "C"

CERTIFICATES OF INSURANCE AND ENDORSEMENTS

(insert behind this page)



BLANKET ADDITIONAL INSURED BY CONTRACT

This endorsement modifies insurance provided under the following:

BUSINESS LIABILITY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

A. The following is added to Section C. WHO IS AN INSURED:

Additional Insureds When Required By Written Contract, Written Agreement Or Permit

The person(s) or organization(s) identified in Paragraphs a. through f. below are additional insureds when you have agreed, in a written contract or written agreement, or when required by a written permit issued by a state or governmental agency or subdivision or political subdivision that such person or organization be added as an additional insured on your Coverage Part, provided the injury or damage occurs subsequent to the execution of the contract or agreement, or the issuance of the permit.

A person or organization is an additional insured under this provision only for that period of time required by the contract, agreement or permit.

However, no such person or organization is an additional insured under this provision if such person or organization is included as an additional insured by any other endorsement issued by us and made a part of this Coverage Part.

The insurance afforded to such additional insured will not be broader than that which you are required by the contract, agreement, or permit to provide for such additional insured.

The insurance afforded to such additional insured only applies to the extent permitted by law.

The limits of insurance that apply to additional insureds are described in Section **D. LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE**. How this insurance applies when other insurance is available to an additional insured is described in the Other Insurance Condition in Section **E. LIABILITY AND MEDICAL EXPENSES GENERAL CONDITIONS**.

a. Vendors

Any person(s) or organization(s) (referred to below as vendor), but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business and only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

(1) The insurance afforded to the vendor is subject to the following additional exclusions:

This insurance does not apply to:

- (a)** "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
- (b)** Any express warranty unauthorized by you;
- (c)** Any physical or chemical change in the product made intentionally by the vendor;
- (d)** Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
- (e)** Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
- (f)** Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;



- (g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or
- (h) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:
 - (i) The exceptions contained in Paragraphs (d) or (f); or
 - (ii) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

(2) This insurance does not apply to any insured person or organization from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

b. Lessors Of Equipment

- (1) Any person or organization from whom you lease equipment; but only with respect to their liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person or organization.
- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after you cease to lease that equipment.

c. Lessors Of Land Or Premises

- (1) Any person or organization from whom you lease land or premises, but only with respect to liability arising out of the ownership, maintenance or use of that part of the land or premises leased to you.
- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:
 - (a) Any "occurrence" which takes place after you cease to lease that land or be a tenant in that premises; or
 - (b) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

d. Architects, Engineers Or Surveyors

- (1) Any architect, engineer, or surveyor, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:
 - (a) In connection with your premises;
 - (b) In the performance of your ongoing operations performed by you or on your behalf; or
 - (c) In connection with "your work" and included within the "products-completed operations hazard", but only if:
 - (i) The written contract, written agreement or permit requires you to provide such coverage to such additional insured; and
 - (ii) This Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

(2) With respect to the insurance afforded to these additional insureds, the following additional exclusion applies:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or the failure to render any professional services, including:

- (i) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or
- (ii) Supervisory, surveying, inspection, architectural or engineering activities.

This exclusion applies even if the claims allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by an insured, if the "bodily injury", "property



damage”, or “personal and advertising injury” arises out of the rendering of or the failure to render any professional service.

e. State Or Governmental Agency Or Subdivision Or Political Subdivision Issuing Permit

- (1) Any state or governmental agency or subdivision or political subdivision, but only with respect to operations performed by you or on your behalf for which the state or governmental agency or subdivision or political subdivision has issued a permit.
- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:
 - (a) "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the federal government, state or municipality; or
 - (b) "Bodily injury" or "property damage" included within the "products-completed operations hazard".

f. Any Other Party

- (1) Any other person or organization who is not in one of the categories or classes listed above in Paragraphs a. through e. above, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:
 - (a) In the performance of your ongoing operations performed by you or on your behalf;
 - (b) In connection with your premises owned by or rented to you; or
 - (c) In connection with "your work" and included within the "products-completed operations hazard", but only if:
 - (i) The written contract, written agreement or permit requires you to provide such coverage to such additional insured; and
 - (ii) This Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".
- (2) With respect to the insurance afforded to these additional insureds, the following additional exclusion applies:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

 - (a) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or
 - (b) Supervisory, surveying, inspection, architectural or engineering activities.

This exclusion applies even if the claims allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by an insured, if the “bodily injury”, “property damage”, or “personal and advertising injury” arises out of the rendering of or the failure to render any professional service described in Paragraphs **f.(2)(a)** or **f.(2)(b)** above.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



NOTICE OF CANCELLATION TO CERTIFICATE HOLDER(S)

This policy is subject to the following additional Conditions:

- A. If this policy is cancelled by the Company, other than for non-payment of premium, notice of such cancellation will be provided at least thirty (30) days in advance of the cancellation effective date to the certificate holder(s) with mailing addresses on file with the agent of record or the Company.
- B. If this policy is cancelled by the company for non-payment of premium, or by the insured, notice of such cancellation will be provided within ten (10) days of the cancellation effective date to the certificate holder(s) with mailing addresses on file with the agent of record or the Company.

If notice is mailed, proof of mailing to the last known mailing address of the certificate holder(s) on file with the agent of record or the Company will be sufficient proof of notice.

Any notification rights provided by this endorsement apply only to active certificate holder(s) who were issued a certificate of insurance applicable to this policy's term.

Failure to provide such notice to the certificate holder(s) will not amend or extend the date the cancellation becomes effective, nor will it negate cancellation of the policy. Failure to send notice shall impose no liability of any kind upon the Company or its agents or representatives.

EXHIBIT "D"

AGREED UPON TIMELINE OF DELIVERABLES

(insert behind this page)



EXHIBIT D

FINANCIAL AUDTING TIMING CONSIDERATIONS

As outlined in the Request for Proposal, the chosen audit firm is required to ensure the timely completion of all audit tasks and deliverables, in strict adherence to the City's deadline of **November 30th** for submission of the final report to the City Council. Below, please find the timing requirements for the Financial Audit for the City of Beaumont.

DATE	ITEM
APRIL	Interim
OCTOBER 06, 2025	Entrance Conference commencement
OCTOBER	Field Work
END OF OCTOBER	Field work complete & drafts due
NOVEMBER 30	Final Financials for Council due