

LEMOORE CITY COUNCIL COUNCIL CHAMBER 429 C STREET August 29, 2023 5:30 P.M.

SPECIAL MEETING AGENDA

Please silence all electronic devices as a courtesy to those in attendance. Thank you.

- a. CALL TO ORDER
- b. INVOCATION
- c. PLEDGE OF ALLEGIANCE
- d. ROLL CALL
- e. AGENDA APPROVAL, ADDITIONS, AND/OR DELETIONS

1 – CLOSED SESSION

 Government Code Section 54957.6 Conference with Labor Negotiator Agency Designated Representatives: Mary Lerner, City Attorney and Michelle Speer, Assistant City Manager Employee Organizations: Lemoore Police Officers Association and Lemoore Police Sergeants Unit

2 - STUDY SESSION

2-1 General Fund Budget Strategy Workshop (Olson)

PUBLIC COMMENT

Public comment will be in accordance with the attached policy. This time is reserved for members of the audience to address the City Council on items of interest that are not on the Agenda and are within the subject matter jurisdiction of the Council. It is recommended that speakers limit their comments to three (3) minutes each and it is requested that no comments be made during this period on items on the Agenda. The Council is prohibited by law from taking any action on matters discussed that are not on the Agenda. Prior to addressing the Council, any handouts for Council will be provided to the City Clerk for distribution to the Council and appropriate staff. The public will have an opportunity to comment on items on the agenda once the item has been called and the Mayor opens the item to the public.

3 – CONSENT CALENDAR

Items considered routine in nature are placed on the Consent Calendar. They will all be considered and voted upon in one vote as one item unless a Council member or member of the public requests individual consideration.

3-1 Approval – Agreement between the City of Lemoore and Bryant L. Jolley to Provide Professional Auditing and Financial Services for the Fiscal Years ending June 30, 2023, 2024 and 2025

ADJOURNMENT

Upcoming Council Meetings

- City Council Regular Meeting, Tuesday, September 5, 2023
- City Council Regular Meeting, Tuesday, September 19, 2023

Agendas for all City Council meetings are posted at least 72 hours prior to the meeting at the Council Chamber, 429 C Street and the Cinnamon Municipal Complex, 711 W. Cinnamon Drive. Written communications from the public for the agenda must be received by the City Clerk's Office no less than seven (7) days prior to the meeting date. The City of Lemoore complies with the Americans with Disabilities Act (ADA of 1990). The Council Chamber is accessible to the physically disabled. Should you need special assistance, please call (559) 924-6744, at least 4 business days prior to the meeting.

PUBLIC NOTIFICATION

I, Marisa Avalos, City Clerk for the City of Lemoore, declare under penalty of perjury that I posted the above Special City Council Agenda for the meeting of August 29, 2023 at Council Chamber, 429 C Street and Cinnamon Municipal Complex, 711 W. Cinnamon Drive, Lemoore, CA on August 25, 2023.

//s// Marisa Avalos, City Clerk



CITY COUNCIL SPECIAL MEETING AUGUST 29, 2023 @ 5:30 p.m.

The City Council will hold its public meetings in person, with a virtual option for public participation based on availability. The City of Lemoore utilizes Zoom teleconferencing technology for virtual public participation; however, the City makes no representation or warranty of any kind, regarding the adequacy, reliability, or availability of the use of this platform in this manner. Participation by members of the public through this means is at their own risk. (Zoom teleconferencing/attendance may not be available at all meetings.)

The meeting may be viewed through the following Zoom Meeting:

- Please click the link below to join the webinar:
- <u>https://us06web.zoom.us/j/89923520869?pwd=Rm1qWFZVV3dHL3IvQ2cxVHNsNm5UUT09</u>
- Meeting ID: 899 2352 0869
- Passcode: 208072
- Phone: +1 669 900 6833

If you wish to make a general public comment or public comment on a particular item on the agenda, **<u>participants may do so via Zoom during the meeting</u>** or by <u>**submitting public**</u> <u>**comments by e-mail to**: <u>cityclerk@lemoore.com</u>. In the subject line of the e-mail, please state your name and the item you are commenting on. If you wish to submit a public comment on more than one agenda item, please send a separate e-email for each item you are commenting on. Please be aware that written public comments, including your name, may become public information. Additional requirements for submitting public comments by e-mail are provided below.</u>

General Public Comments & Comments on City Council Business Items

For general public comments and comments regarding specific City Council Business Items, public comments can be made via Zoom during the meeting or all public comments must be received by e-mail no later than 5:00 p.m. the day of the meeting. Comments received by this time will be read aloud by a staff member during the applicable agenda item, provided that such comments may be read within the normal three (3) minutes allotted to each speaker. Any portion of your comment extending past three (3) minutes may not be read aloud due to time restrictions. If a general public comment or comment on a business item is received after 5:00 p.m., efforts will be made to read your comment into the record. However, staff cannot guarantee that written comments received after 5:00 p.m. will be read. All written comments that are not read into the record will be made part of the meeting minutes, provided that such comments are received prior to the end of the City Council meeting.

Public Hearings

For public comment on a public hearing, all public comments must be received by the close of the public hearing period. All comments received by the close of the public hearing period will be read aloud by a staff member during the applicable agenda item, provided that such comments may be read within the normal three (3) minutes allotted to each speaker. Any portion of your comment extending past three (3) minutes may not be read aloud due to time restrictions. If a comment on a public hearing item is received after the close of the public hearing, such comment will be made part of the meeting minutes, provided that such comment is received prior to the end of the meeting.

<u>*PLEASE BE AWARE THAT ANY PUBLIC COMMENTS RECEIVED THAT DO NOT SPECIFY A PARTICULAR AGENDA ITEM WILL BE READ ALOUD DURING THE GENERAL PUBLIC COMMENT PORTION OF THE AGENDA.*</u>



711 West Cinnamon Drive • Lemoore, California 93245 • (559) 924-6744 • Fax (559) 924-9003

Staff Report

Item No: 2-1

То:	Lemoore City Council				
From:	Nathan Olson, City Manager				
Date:	August 21, 2023	Meeting Date: August 29, 2023			
Subject:	General Fund Budget Strategy Workshop				
Strategic Initiative:					
□ Safe	e & Vibrant Community	□ Growing & Dynamic Economy			
⊠ Fiscally Sound Government		☑ Operational Excellence			
⊠ Community & Neighborhood Livability		□ Not Applicable			

Proposed Motion:

Seeking direction from Council.

Subject/Discussion:

Consensus was received by City Council for staff to bring back a study session workshop to discuss the General Fund.

City Manager will present regarding the state of the City's general fund and present options and solutions.

Financial Consideration (s):

Alternatives or Pros/Cons:

Pros:

• Open discussion regarding the general fund.

Cons:

- None noted.
- Commission/Board Recommendation: N/A

<u>Staff Recommendation:</u> Staff recommends consensus from Council on a future plan for the City.

Attachments:

- □ Resolution:
- □ Ordinance:
- 🗆 Map
- □ Contract
- □ Other
 - List:

Review: Date: □ Asst. City Manager City Attorney 8/25/2023 ⊠ City Clerk 8/25/2023 ⊠ City Manager 8/22/2023

□ Finance



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Staff Report

Item No: 3-1

To: Lemoore City Council

From: Michelle Speer, Assistant City Manager/Admin. Services Director

Date: August 21, 2023 Meeting Date: August 29, 2023

Subject: Agreement between the City of Lemoore and Bryant L. Jolley to Provide Professional Auditing and Financial Services for the Fiscal Years ending June 30, 2023, 2024, and 2025

Strategic Initiative:

-		
	Safe & Vibrant Community	□ Growing & Dynamic Economy
	☑ Fiscally Sound Government	⊠ Operational Excellence
	⊠ Community & Neighborhood Livability	□ Not Applicable

Proposed Motion:

Approve an agreement between the City of Lemoore and Bryant L. Jolley to provide professional auditing and financial services for the fiscal years ending June 30, 2023, 2024 and 2025 with an option to extend for two additional years. Authorize the City Manager, or designee, to execute the agreement.

Subject/Discussion:

In 2019, the City of Lemoore entered into an agreement with Hudson Henderson & Company to provide auditing services. Unfortunately, the city learned that Hudson Henderson & Company split-up and will no longer be able to provide auditing services to the City. This change required the City to seek a new firm in a short amount of time due to auditing deadlines.

Staff was able to find a new firm (Bryant L. Jolley) to provide a proposal. Bryant L. Jolley audits many other local municipalities. They have been in business for 40 years and have performed over 600 district and city audits. The three-year agreement will cover fiscal years ending June 30, 2023, 2024, and 2025 with an option to extend for two additional years.

Financial Consideration (s):

The services will include the City audit and a Management Report. The all-inclusive fee for the work will be \$53,000 (FY 2023), \$53,000 (FY 2024), \$53,000 (2025), \$55,000 (FY 2026), and \$55,000 (FY 2027). \$48,000 was budgeted for the previous auditor for FY 2023 in Professional Contract Services in the Finance department budget.

Alternatives or Pros/Cons:

Pros:

• Experienced auditing team available to serve the City of Lemoore.

<u>Cons:</u>

• None noted.

Commission/Board Recommendation:

N/A.

Staff Recommendation:

Staff recommends approval of an agreement between the City of Lemoore and Bryant L. Jolley, CPA to provide professional auditing and financial services for the fiscal years ending June 30, 2023, 2024 and 2025 with an option to extend for two additional years. Authorize the City Manager, or designee, to execute the agreement.

Attachments:	
□ Resolution:	
Ordinance:	
🗆 Мар	
Contract	
⊠ Other	

List: Proposal

Review:	Date:		
□ Asst. City Manager			
City Attorney			
City Clerk	8/25/2023		
City Manager	8/25/2023		
Finance			

PROPOSAL TO PROVIDE PROFESSIONAL AUDITING SERVICES

City of Lemoore

Bryant L. Jolley, CPA

901 "N" Street, Suite 104 Firebaugh, Ca 93622 Phone: (559) 659-3045 Fax: (559) 659-0615 FID #94-2706107

August 10, 2023

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BRYANT L. JOLLEY

CERTIFIED PUBLIC ACCOUNTANTS

Bryant L. Jolley C.P.A. Ryan P. Jolley C.P.A. Darryl L. Smith C.P.A. Luis A. Perez C.P.A. Lan T. Kimoto

August 10, 2023

City of Lemoore 429 C Street Lemoore, CA 93245

We are pleased to provide this response to the City of Lemoore's, request for proposal for an independent accounting firm to provide audit and related financial services for the fiscal years ending June 30, 2023, 2024 and 2025 with an option to extend for two additional years.

We understand the scope of work will include Audited Financial Statements for the City of Lemoore, a Single Audit if applicable, and a Management Report. We also understand the audit and reports are to be conducted in accordance with generally accepted government auditing standards as set forth by the General Accounting Office's (GAO) <u>Government Auditing Standards</u> and U.S. Office of Management and Budget (OMB) Circular A-133, <u>Audits of State, Local Governments, and Non-Profit Organizations</u>. Finally, we understand the objective of the services to be performed and commit to performing those services within the time period specified by the City of Lemoore.

We have specialized in the auditing of cities and special districts over the past 40 years and have performed over 600 district and city audits. Our firm consists of five professional staff who have over a hundred years combined governmental auditing experience making us premier auditors of local governments.

We seek to conduct the City audit because we feel our experience and expertise with government audits makes us a perfect fit for the engagement. We can provide value to the City through the quality of our work, the timeliness of our performance, our knowledge of governments, team consistency, and, most important, a strong relationship among the people on our team and with City staff. In addition, we are a local firm that supports the local economy.

In the following proposal, you will see that our firm is capable of consistently delivering high levels of value to the City. You will work with an auditor that is stable and responsive. You will receive accurate, reliable, and timely service that is fairly priced. And you will have continual access to senior-level team members who are knowledgeable, qualified, and consistent.

Ryan P. Jolley, CPA will serve as the principal contact authorized to make representations on behalf of this bid. This proposal is firm and irrevocable offer for 30 days. He can be reached by phone at 559-287-1527 or by mail at 901 "N" Street, Suite 104, Firebaugh, CA 93622.

We are eager to work with the City and demonstrating our commitment to providing a costeffective, high-quality audit for the City. We look forward to your response and meeting with you to further discuss a possible relationship. Thank you for your consideration.

Sincerely,

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Bryant L. Jolley, CPA

TECHNICAL PROPOSAL

Our firm is independent of the City of Lemoore as defined by the U.S. General Accounting Office's Government Auditing Standards. Our firm is licensed to operate as a certified public accounting firm by the State of California. All professional staff is properly licensed to practice in California. Our firm maintains professional liability, workers' compensation, and automobile insurance.

Our firm consists of four CPA's and two senior audit staff who have over a hundred years combined governmental auditing experience making us premier auditors of local governments. Because of the size of our firm and the experience of the individuals, all five members of our firm will be involved in this engagement.

Our firm is in compliance with all GAO standards for continuing education and we recently completed a peer-review of our work, which included government engagements, by an independent CPA firm for which we received the highest rating of pass (page 11).

The people who serve you today will be the people who serve you tomorrow. Our firm's turnover rate is low, which ensures continuity on your engagement. Our firm only consists of senior level members who have significant years of governmental experience. Your engagement team will not contain staff accountants nor will you have to train new audit team members in succeeding years. We highly emphasize senior level involvement because these are the team members who know the most about you and your operations. Their involvement assures quick resolution of issues, better job management, closer supervision, and expeditious review of work papers. These are the people who will remain consistently committed to your engagement.

The following information outlines the qualifications and experience of the individuals who would be assigned to the engagement.

QUALIFICATIONS OF YOUR AUDIT TEAM

BRYANT JOLLEY, CPA

AUDIT ROLE: CLIENT SERVICE PARTNER/ENGAGEMENT REVIEWER

Bryant Jolley will be the in-charge person for the City audit. He has been a licensed CPA since 1976 and has operated his own firm since 1980. He graduated from Brigham Young University in 1974 and did graduate accounting studies at the University of Southern California. His initial training as an auditor was with Deloitte Touche, an international CPA firm. The first governmental audit he performed was in 1979 and he has been extensively engaged in governmental accounting since that date. He is the in charge person on an average of thirty city or special district audits each year. This experience allows him to have a unique understanding of the accounting and fiscal problems facing governmental units and provide concrete recommendations to improve overall efficiencies. He has received over 80 hours of government-specific continuing professional education over the last two years and is a member of the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants.

RYAN JOLLEY, CPA

AUDIT ROLE: ENGAGEMENT PARTNER

Ryan Jolley is a licensed certified public accountant who joined our firm in 2004. He graduated with an undergraduate degree in accounting in 2002 and entered the Masters program in accounting at San Diego State University the same year. During this period he started work as a staff auditor with Moss Adams LLP, a large national CPA firm. He interned with our firm for several summers during college and worked on numerous governmental audits. He was the primary senior non-profit/governmental auditor for the Moss Adams San Diego office. Since then he has worked extensively with several cities helping them with the GASB 34 conversion process. He has over 12 years of experience with auditing municipalities, colleges, and commercial entities as well as conducting Single Audits under OMB Circular A-133 standards.

LUIS PEREZ, CPA

AUDIT ROLE: ENGAGEMENT MANAGER/IN-CHARGE AUDITOR

Luis Perez is a licensed certified public accountant and has 10 years of experience auditing non-profit organizations and cities. Additionally, he has helped many non-profits, cities and districts with temporary accounting projects or other operational emergencies. This has provided him with extensive working knowledge of non-profits and allows him to be available for normal accounting questions or assistance throughout the year. He is a member of the American Institute of Certified Public Accountants.

LAN KIMOTO

AUDIT ROLE: ENGAGEMENT MANAGER

Lan began her accounting career after receiving a Bachelor of Science in Business Administration and graduating Cum Laude in May 2005 from California State University, Fresno. Prior to joining Bryant L. Jolley, CPA, she was the Finance Director at the City of Orange Cove and worked with two large local CPA firms, working exclusively in the governmental and nonprofit arena. Lan has planned, performed and served as in-charge auditor for numerous engagements and prepared audit programs for both large and small government and nonprofit enterprises. Her experience includes preparation of financial statements that comply with GASB standards, as well as single audit compliance. Lan is in compliance with the continuing education requirements of the AICPA and Government Auditing Standards. She was also responsible for providing consulting services to the City of Lemoore in the past to assist with audit preparation and reconciling the City's general ledger accounts.

OUR EXPERIENCE AUDITING GOVERNMENT ENTITIES

City of Kerman

Principal Contacts: Josefina Alvarez, Finance Director (559-846-9382)
Engagement Dates: June 30, 2022
Approximate Staff Hours Expended: 200 hours
Scope of Work: Audited Financial Statements, Annual Financial Transaction Report

City of San Juan Bautista

Principal Contacts: Wendy Cummings, Finance Director (831-227-3225)
Engagement Dates: June 30, 2022
Approximate Staff Hours Expended: 150 hours
Scope of Work: Audited Financial Statements, Annual Financial Transaction Report

City of Firebaugh

Principal Contacts: Pio Martin, Finance Director (559-659-2043)
Engagement Dates: June 30, 2022
Approximate Staff Hours Expended: 250 hours
Scope of Work: Audited Financial Statements

City of San Joaquin

Principal Contacts: Elizabeth Nunez, City Manager (559-693-4311)
Engagement Dates: June 30, 2022
Approximate Staff Hours Expended: 150 hours
Scope of Work: Audited Financial Statements, Annual Financial Transaction Report

City of Reedley

Principal Contacts: Paul Melikian, Assistant City Manager (559-637-4200)
Engagement Dates: June 30, 2022
Approximate Staff Hours Expended: 250 hours
Scope of Work: Audited Financial Statements, Annual Financial Transaction Report

Note: Nine additional Cities we audit separate from the above including California City, King City, Maricopa, Soledad, Coalinga, Gonzales, Parlier, Fowler and Orange Cove.

How we approach your audit

Our effective and efficient government audit approach combines knowledge of governmental accounting and auditing with an understanding of the associated risks. We are value-driven and seek to maximize the return on your investment in the audit process through in-depth analysis of your financial statements and your internal controls. Throughout the engagement, our team will collaborate with your staff whenever possible to minimize costs and improve efficiencies. Of course, we will need assistance with preparing schedules, finding documents, explaining processes, and providing sample documentation, budget related materials, organizational charts, and manuals.

Audit Standards

The auditor's opinion will be directed toward the fairness of presentation of the financial statements in accordance with Generally Accepted Auditing Standards (GAAS). We will prepare the Annual Financial Report in conformity with Government Code Section 26909, Generally Accepted Accounting Principles (GAAP), and Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States General Accounting Office.

Pre-Audit

We are very familiar with the audit issues facing government entities. We have adjusted our audit services to incorporate these specialized areas and approach the audit from the following aspects:

- Where are the City's greatest exposures?
- How does the City safeguard against risks?
- How does the City internally evaluate its organization?
- What are the controls used by the City to measure accountability?

Our approach to the City's audit is truly a design that will be as unique as the City itself and is based on the areas we find to be the most vulnerable. Our focus includes evaluating internal controls that ensure adherence to applicable federal and state laws and regulations. We place a substantial amount of our time reviewing and assessing such high-risk areas during our evaluation. This risk-based approach focuses our efforts on what is important to you and your stakeholders and enables us to present you with meaningful suggestions.

We monitor our performance using a variety of qualitative and quantitative measures. First and foremost, we honor our agreement with you, completing the engagement on-time and on-budget. When you talk to our references, you will find that this sets us apart from most regional and national CPA firms. Typically in a first year audit engagement, we invest additional time in your audit, which is **not** billed to you as cost over-runs. Rather, we view it as an investment in our long-term professional relationship.

We measure our audit performance in the response we receive from the City and its staff. In addition, we report directly to management and the Board in face-to-face meetings, providing meaningful information and answering questions directly.

Segmentation of the Audit

Our audit involves a logical sequence of five steps that ensures compliance with the applicable professional standards and the expeditious completion of the audit. We will tailor our audit to the needs and complexity of the City.

1. **Planning** – First, we learn everything we can about the City and its related organizations from organizational structure to policies and procedures. We read meeting minutes, review budgets, assess manuals and programs, hold discussions with key management staff, and evaluate management information systems. Based on what we learn, we develop our expectations regarding current year results, and then compare our expectations to actual results. This helps us develop risk assessments for each audit segment to determine what level of control testing and/or substantive testing is necessary to address the assessed risk. We then design our audit program accordingly.

2. **Control Testing** – Depending on our risk assessments, we determine specific audit cycles to test for internal controls and we evaluate the results. Based on the results against our expectations, we then determine if any modification is necessary to our planned substantive audit procedures on ending account balances and transactions. Based on the information we have obtained to date, we plan to test controls to obtain moderate to substantial reliance over cash and investments, revenues and related receivables, expenses and related payables, capital

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outlay, and long-term debt. This is subject to change once we gather more information as part of our audit planning procedures.

3. **Substantive Testing** – Our overall objective is to achieve a low level of risk of error in ending account balances. After we have performed our preliminary analytical and internal control tests and evaluated the results, we determine the nature, timing, and extent of detailed audit procedures on ending account balances and transactions necessary to achieve a low level of risk that errors could be present without detection.

4. **Compliance Testing** – The State requires testing organizational compliance with certain laws and regulations. In addition, we will test your compliance with federal laws. We have specially-designed audit programs that ensure we adequately address both areas.

5. **Report Writing and Review** – After all the fieldwork is complete, we draft our opinions and other reports. As part of our firm's quality control process, Bryant Jolley is required to review our audit files and report to improve the quality of our audits and to ensure optimum quality. We have a requirement that only personnel involved in our governmental service team can be involved in the review of our work. This ensures that our clients are served with professionals trained in governmental auditing and accounting standards.

6. Statistical Sampling - Sampling to be used during our audit will include random sampling methods for tests of controls and for substantive tests of details. Sampling will be used throughout the engagement to test most financial statement balances.

We will select the most appropriate sampling technique for a given compliance test, tailored to the type and nature of the test.

7. **Analytical Procedures -** Analytical procedures are generally performed throughout the audit engagement, and result in substantial discussion with management. Initially, at the planning phase of the audit, comparisons are made between current and prior year results, actual and budgetary information, and to industry benchmarks. We use common size financial statements and trend and ratio analyses to aid us in developing our audit plan and programs. Non-financial data and external information are incorporated in our procedures to enhance their validity, and information is disaggregated as much as possible to improve precision.

During our substantive testing of balances, we typically analyze the detail of changes to certain accounts. For example, this approach is often used with sampling in our testing of capital asset, long-term debt and investment accounts.

At the conclusion of the audit, we again employ analytical procedures similar to those used at the planning phase. The audit team takes a holistic view of the financial statements in light of the results of all other auditing procedures performed. We discuss our observations with management and provide information to the Board as part of our audit result presentation. Our clients find this to be the most important value of their annual audit process. It produces beneficial information far beyond the audit of the financial statements they initially expect.

AUDIT: Documenting internal control structure

 Obtain copies of all available system and policy/procedure documentation from City finance, treasury, human resources, information technology, grant management, budget department, and personnel. This will include organization charts, narratives and flowcharts. Copies will be retained in our permanent working paper file. This documentation will be updated annually for any changes.

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- Review the above-described documentation and meet with City personnel to make inquiries about, and discuss questions that arise from, our review.
- Document and assess the adequacy of internal controls over the various City systems, and develop preliminary risk assessments for each of them. As mentioned earlier in our discussion of audit approach, the framework of this system incorporates the requirements of auditing standards related to internal control and fraud detection.

At the planning phase of our audit and in accordance with Statement on Auditing Standards (SAS) 99, *Consideration of Fraud in a Financial Statement Audit*, we will hold a brainstorming meeting to discuss fraud risks related to the City and design the audit to take those risks into account. Provisions of this new and important auditing standard will be incorporated throughout our audit.

COST PROPOSAL

Submitted By:

Firm Name: Bryant L. Jolley, CPA

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.

Signature:

Printed Name: Bryant L. Jolley

Date: August 10, 2023

Our services will include the City audit and a Management Report. The all-inclusive fee for this work is as follows:

Service	2023	2024	2025	2026	2027
City Audit	\$48,000	\$48,000	\$48,000	\$49,000	\$49,000
Single Audit per major program, if required	\$ 5,000	\$ 5,000	\$ 5,000	\$ 6,000	\$ 6,000
Total for Fiscal Year (not-to exceed)	\$53,000	\$53,000	\$53,000	\$55,000	\$55,000

This proposal is made with the assumption that the City's books and records will be in a reasonably balanced condition and reconciled at the start of the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. An example of this would be if the Controller Report had to be prepared with unaudited numbers or if the City had more than one major program for the Single Audit. We agree the City may broaden the scope of our engagement and we agree to hold ourselves available to perform such additional work as the City may desire. A final billing will be submitted upon delivery of all required reports. No billings will be made for out-of-pocket expenses or any other expenses such as typing, clerical, printing and travel costs.

Grant Bennett Associates

A PROFESSIONAL CORPORATION

Report on the Firm's System of Quality Control

September 18, 2020

To Bryant L Jolley 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 Bryant L Jolley (the firm) in effect for the year ended May 31, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

Firm's Responsibility

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

Peer Reviewer's Responsibility

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

Required Selections and Considerations

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

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

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Bryant L Jolley in effect for the year ended May 31, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass, pass with deficiency(ies)* or *fail.* Bryant L Jolley has received a peer review rating of *pass.*

Aunt Barnett Associates

GRANT BENNETT ASSOCIATES A PROFESSIONAL CORPORATION Certified Public Accountants



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