



Redwood Coast Energy Authority

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## **BOARD FINANCE SUBCOMMITTEE MEETING AGENDA**

Redwood Coast Energy Authority Office  
633 Third Street, Eureka, CA 95501

May 8, 2019  
Wednesday, 3:30-4:30 p.m.  
**NEW MEETING TIME**

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Persons with disabilities may request special accommodations by contacting the Clerk of the Board at (707) 269-1700 three working days in advance of the meeting. An assistive listening device is available. Pursuant to Government Code section 54957.5, all writings or documents relating to any item on this agenda which have been provided to a majority of the Finance Subcommittee Members, including those received less than 72 hours prior to the RCEA Finance Subcommittee meeting, will be made available to the public in the agenda binder located in the RCEA lobby during normal business hours, and at [www.redwoodenergy.org](http://www.redwoodenergy.org). Speakers wishing to distribute materials to the Subcommittee at the meeting are asked to provide 7 copies to the Clerk of the Board.

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1. **ROLL CALL.** Committee Members: Summer Daugherty, Michael Winkler, Sheri Woo.  
Staff: Matthew Marshall, Executive Director, or designee.
2. **ORAL COMMUNICATIONS.** This item is provided for the public to address the Finance Subcommittee or submit written communications on matters not on the agenda. At the conclusion of all public statements, the Finance Subcommittee may respond. Any request that requires Finance Subcommittee action will be set by the Subcommittee to a future agenda or referred to staff.
3. **APPROVAL OF MINUTES** – None.
4. **NEW BUSINESS.**
  - A. Appoint an RCEA Finance Subcommittee Chair to serve a one-year term ending on the first regular Board meeting of each year and adopt Finance Subcommittee operating guidelines.
  - B. Review and approve staff auditor selection.
  - C. Review and provide feedback on Fiscal Year 2019-2020 budget.
5. **OLD BUSINESS** – None.
6. **COMMITTEE AND STAFF COMMUNICATIONS.**
7. **FUTURE AGENDA ITEMS.**
8. **FUTURE MEETING DATES.**
9. **ADJOURNMENT.**

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## **STAFF REPORT**

### **Agenda Item # 4 - A**

AGENDA DATE:	May 8, 2019
TO:	Board Finance Subcommittee
PREPARED BY:	Lori Taketa, Clerk of the Board
SUBJECT:	Subcommittee Chair and Procedures

#### **BACKGROUND**

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The RCEA Board of Directors created the standing Finance Subcommittee at its January 28, 2019, meeting “to meet as needed to work with staff and advise the Board of Directors on matters relating to audit, finance and budget.” Subcommittee members serve one-year terms ending on the first regular Board meeting of each year. Discussion prior to the subcommittee’s creation focused on the directors’ expressed desire to increase organizational transparency and Board member understanding of the agency’s finances.

Staff recommends the Subcommittee members appoint a chair to call meetings as needed and to review and approve the attached recommended subcommittee procedures.

#### **STAFF RECOMMENDATION**

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Appoint an RCEA Finance Subcommittee Chair to serve a one-year term ending on the first regular Board meeting of 2020 and adopt the recommended Finance Subcommittee operating guidelines.

#### **ATTACHMENT:**

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1. Proposed Finance Subcommittee operating guidelines.

## RCEA Finance Subcommittee Recommended Operating Guidelines

The RCEA Board of Directors Operating Guidelines allows for the Board to form ad hoc committees, working groups or task forces to address specific topics or projects as specified by the Board and which may be comprised of Board members, community members, or a combination of both, to be appointed as determined by the Board. On January 28, 2019, the RCEA Board created a standing subcommittee comprised of Board members that is subject to the Ralph M. Brown Act.

In order to clarify subcommittee and staff duties and procedures, staff proposes the adoption of the following operating guidelines:

- Creation – The Finance Subcommittee was created by motion of the RCEA Board of Directors.
- Powers and Duties – The Finance Subcommittee will work with staff in an advisory capacity, and provide recommendations and advice to the Board of Directors, on matters relating to audit, finance and budget.
- Membership – The Finance Subcommittee will be appointed by the Board and shall be comprised of up to four (4) Board directors. Members will serve at the pleasure of the Board and may be removed by the Board by a majority vote at a regularly scheduled Board meeting. Vacancies occurring during the middle of a term shall be filled by Board appointment for the unexpired portion of the term.
- Term - Members will serve for a one-year term ending on the first regular Board meeting of each year.
- Quorum – For the purposes of conducting subcommittee business, a majority of seated Finance Subcommittee members shall constitute a quorum.
- Organization – The Subcommittee shall annually, at the first meeting of the year, elect a chair.
- Meeting notices – The Finance Committee is subject to the Ralph M. Brown Act. Meeting notices shall satisfy the minimum requirements of this Act.
- Meeting schedule – Finance Subcommittee meetings shall be held as needed by call of the Chair. The Subcommittee may request a joint meeting with other agency committees or task forces.
- Minutes – Staff shall take minutes at each meeting and make such minutes available within a reasonable time following each meeting. Minutes shall be subject to approval by the Subcommittee.
- Staff liaison – The RCEA Executive Director or his/her designee shall serve as a liaison between the Subcommittee and staff.
- Agenda development – Subcommittee meeting agendas will be developed by the Executive Director or his/her designee and shall include those items requested by the Board, the Subcommittee, as well as those items the Executive Director or his/her designee determines appropriate.



# REDWOOD COAST Energy Authority

## STAFF REPORT Agenda Item # 4 - B

AGENDA DATE:	May 8, 2019
TO:	Board of Directors
PREPARED BY:	Lori Biondini, Director of Business Planning and Finance
SUBJECT:	Professional Auditing Services Selection

### SUMMARY

During the March regular business meeting of the Redwood Coast Energy Authority Board of Directors, staff was authorized to issue a request for proposals for professional financial audit services and complete a review of submitted proposals. Following review and approval by the RCEA Board Finance Subcommittee and RCEA Legal Counsel, RCEA's Executive Director will contract with the selected respondent and execute all associated documents.

On April 3, 2019, staff released a request for proposals with a deadline of 5 p.m. on April 24, 2019. Staff received three proposals and all were deemed responsive in that they are from firms that are independent, insured and licensed to practice in California, have no conflict of interest with any other work to be performed for RCEA, and that provided references and results of any state or federal reviews that were indicative of a record of quality audit work.

Staff further evaluated the three proposals on the following criteria:

- Responsiveness of the proposal to the RFP in its entirety
- Prior experience in providing auditing services to government agencies comparable to RCEA
- Qualifications of the firm and assigned staff, as well as the quality of management support
- Audit approach: whether the proposed workplan is acceptable and presents a thorough understanding of the scope of work; the adequacy of the proposed staffing and techniques; and commitment to the timeline
- Cost and fees.

The three proposals all indicated experience providing auditing services to government agencies, however only two indicated experience providing auditing services to community choice aggregators/utilities which comprises the majority of RCEA's business activities. Staff felt the audit approach presented in all proposals would meet our needs. Cost estimates ranged from \$30,950 to \$41,000 for a single audit.

Staff has selected the proposal from Pisenti & Brinker, LLP, as the recommended choice. Their proposal suggests auditing fiscal years ending on June 30, 2018 and June 30, 2019 concurrently which would help RCEA be on-track to close its books in a timely manner this year. Their cost for both a single audit (\$30,950) and multi-year discounted pricing (\$26,967) is the lowest received. Pisenti & Brinker, LLP provides audit services to other community choice aggregators and their engagement

and management staff have extensive experience with government and community choice aggregator audits.

### **FINANCIAL IMPACT**

The contract value will not exceed \$80,900 (with an average of \$27,000 for each fiscal year audit).

### **RECOMMENDED ACTION**

Authorize the Executive Director to execute a contract with Pisenti & Brinker, LLP, to provide professional audit services after final review and approval of any revisions by RCEA General Counsel.

### **ATTACHMENTS**

1. Proposal to Provide Financial Statement Audit Services to Redwood Coast Energy Authority from Pisenti & Brinker LLP
2. Redwood Coast Energy Authority Professional Auditing Services proposal from James Marta & Company LLP
3. Proposal to Provide Professional Auditing Services for Redwood Coast Energy Authority from JJACPA, Inc.

# *Proposal to Provide Financial Statement Audit Services to*



REDWOOD COAST  
**EnergyAuthority**

*April 24, 2019*



**PISENTI & BRINKER LLP**  
Certified Public Accountants & Advisors

An independently owned member  
RSM US Alliance



**Governmental Audit  
Quality Center Member**

**Brett Bradford, CPA, Partner**  
**Kellin Gilbert, CPA, Senior Manager**  
**(707) 542-3343**  
**bbradford@pbllp.com**  
**kgilbert@pbllp.com**  
**3562 Round Barn Circle, Suite 300**  
**Santa Rosa, 95403**



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April 24, 2019

Finance Subcommittee  
Redwood Coast Energy Authority  
633 3<sup>rd</sup> Street  
Eureka, CA 95501

Dear Finance Subcommittee:

Thank you for inviting Pisenti & Brinker LLP to submit a proposal to serve the audit requirements of Redwood Coast Energy Authority ("RCEA"). We are pleased to answer your request with this proposal to provide professional services to RCEA. We feel that the following factors make Pisenti & Brinker LLP highly qualified to provide the requested services:

- We are confident that our previous experience providing audit services to Community Choice Aggregators (CCAs) will benefit RCEA by providing value-added and efficient audit services. Our approach will focus on industry accounting and operational best practices.(see references)
- Our long-running and successful experience providing services to many local government agencies, including our previous experience RCEA.
- With respect to RCEA's possible future needs, our Firm has deep experience with compliance audits of federal awards in accordance with the *Uniform Guidance* (the Single Audit) and audits of state and local agency requirements in accordance with various laws and regulations.

We propose to perform the work as outlined in your *Request for Proposal* within the identified time frame. Our services will consist of auditing and expressing an opinion on the fairness of presentation of the financial statements of RCEA for the periods ended June 30th, 2018 through June 30<sup>th</sup>, 2020. Our audits will be performed in accordance with *Generally Accepted Government Auditing Standards* set forth by the *Government Accountability Office (GAO)*. Accordingly, we are independent from RCEA in as defined by *Government Auditing Standards*. We will provide written notice to RCEA of any professional relationships entered into that could threaten independence.

Our fees for the proposed services to RCEA are as stated in this proposal. As a partner in our Accounting and Assurance Practice for the Firm, I am authorized to make representations for Piseniti & Brinker LLP. If you have any comments or questions concerning our proposal, please feel free to call me at (707) 577-1582. This proposal is a firm and irrevocable offer for a ninety day period. We look forward to having the opportunity to be of service to RCEA.

Very truly yours,

Brett Bradford, CPA  
Partner

We propose to perform audits of the basic financial statements of Redwood Coast Energy Authority ("RCEA") as set forth below for the periods ended June 30, 2018 through June 30, 2020. We will perform our audits in accordance with *Generally Accepted Government Auditing Standards* set forth by the *Government Accountability Office (GAO)*.

Reports to be prepared include:

- Report on the fair presentation of the financial statements of RCEA.
- Report on Internal Control Over Financial Reporting and on Compliance and Other Matters as set forth by *Government Auditing Standards*;
- Management letter of comments;
- Report on significant deficiencies or material weaknesses in internal control, if any are identified;
- Other communications to those charged with governance as required by professional standards.

It is our current firm policy that we retain all working papers and reports for a minimum of seven years at our own expense. We will make working papers available, upon request, to RCEA and governmental agencies with oversight over RCEA.

During the audit, we will observe the adequacy of the system of internal control relevant to the financial statements of RCEA. At the conclusion of the audit, we will make a presentation to the board or other representatives of RCEA and present our audit report, findings, and make other communications as required by professional standards.

Additionally, during our audit we will provide routine progress reports to RCEA's management on the status of the engagement.

Our Management Letter of Comments will address the following:

- Areas where RCEA's internal controls can be enhanced;
- Areas where operational processes can be streamlined and made more efficient;
- Compliance with other laws and regulations applicable to RCEA.

Should any irregularities or illegal acts come to our attention during the course of our audit, we will make an immediate written report to Management and the Governing Board, unless the identified issues are clearly inconsequential.

**EXPERIENCE WITH LOCAL GOVERNMENT AGENCIES**

Pisenti & Brinker has been providing audit services to government agencies since 1965. Our firm employs approximately 80 people. Our experience includes basic financial statement audits for government entities and audits performed in accordance with Government Auditing Standards and Single Audits performed in accordance with the *Uniform Guidance*.

Our government audit team includes ten professionals from our Firm. Professionals from our Santa Rosa offices will serve as RCEA's auditors. All staff assigned to the audit will be full-time staff with prior audit experience. We estimate that the total client service team will be comprised of six team members.

Pisenti & Brinker has a continuing program of staff development and training for our auditing staff. This program includes on-the-job training, courses provided by the American Institute of Certified Public Accountants, the California Society of Certified Public Accountants, other professional organizations, and the RSM US Alliance to continually increase our knowledge of governmental accounting and auditing practices and procedures. Additionally, our Firm hosts annual conferences on governmental auditing and accounting which it makes available to our clients and the community.

The service team that will be assigned to serve RCEA has received comprehensive training in government accounting and auditing and has extensive experience in serving our government agency clients and CCAs. In addition, Pisenti & Brinker is a member of the American Institute of Certified Public Accountants Government Audit Quality Center. Membership requires us to adhere to more stringent continuing professional education, internal inspection, and firm policy requirements.

## **STATEMENT OF INDEPENDENCE**

We are independent with respect to RCEA, as defined by generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. We know of no relationships that exist, or have existed in the previous five years, between our partners and staff and your employees or directors that would impair our independence. We will continue to monitor our independence should we be selected as RCEA's service provider and will provide notice to RCEA of any relationships entered into that could threaten independence.

## **LICENSE TO PRACTICE IN CALIFORNIA**

Pisenti & Brinker LLP and all assigned key professional staff are licensed to practice public accounting in California and provide audit services to governmental agencies.

## **DISCIPLINARY ACTION AND LITIGATION**

During the past three years no state or federal desk reviews have resulted in any negative actions or comments with regard to engagements performed by our Firm. No field reviews of engagements we have performed have been conducted during that period, nor have any disciplinary actions been taken against our Firm by any regulatory or professional bodies, or state or federal reviewers. There is no current or pending litigation against the Firm. We have not been debarred or disqualified as a vendor from any federal, state, or local entities.

## **CONTRACT PROVISIONS**

We accept the contract provisions as identified by you in the proposal for services.



## PROPOSED ENGAGEMENT TIMELINE

We propose to perform the services according to the following timeline for the audits of the year ended June 30, 2018 and the year ending June 30, 2019. We believe that substantial efficiencies can be gained, and redundancies can be eliminated, by performing the 2018 and 2019 audits in conjunction. We are happy to discuss the proposed timing with RCEA and fine-tune it to meet RCEA's needs.

### **June 2019:**

- Execute contract and provide arrangement letter to RCEA
- Provide RCEA staff with a preliminary list of documents for the audit
- Communicate with Audit/Finance Committee and RCEA's management to discuss planning, expectations, and address any concerns or questions

### **Late July 2019:**

- Discuss questions that arise regarding documents requested and audit procedures
- Perform on site walk-through procedures at RCEA and Maher's offices in order to obtain an understanding of the significant accounting processes and procedures
- Provide RCEA with final list of documents needed for the audit
- Begin performing audit fieldwork - testing of significant year end balances and transaction cycles
- Fieldwork to be performed primarily remotely, facilitated by exchange of electronic documents

### **Early August 2019:**

- Complete 2018 fieldwork
- Perform 2019 fieldwork as the trial balance is finalized and documents are available

### **October 2019:**

- Complete 2019 fieldwork
- Begin drafting 2018 & 2019 financial statements

### **Prior to November 1, 2019**

- Provide a draft of the 2018 & 2019 financial statements, management letter and letter to those charged with governance. Discuss with RCEA staff and provide opportunity to respond

### **Prior to November 15, 2019**

- Finalize audit work papers and complete file review
- Provide final 2018 & 2019 audit report
- Present to the board or finance committee
- Provide final management letter and letter to those charged with governance

Please note that this timeline is contingent upon our timely receipt of all documents, schedules, and other information necessary to complete the audits. To adhere to this timeline we will require the final 2019 trial balance and all requested documents to be provided to us by September 1, 2019.



## PARTNER AND STAFF QUALIFICATIONS AND EXPERIENCE

We propose to include the following professionals on our engagement team:

- Brett Bradford, CPA – Lead Partner, fifteen years governmental financial statement audit experience and audits performed in accordance with the *Uniform Guidance* (Single Audits). Experience includes lead partner on three CCAs.
- Mathew Brewer, CPA – Audit Senior Manager, six years of audit experience. Experience includes audits of three other CCAs.
- Kellin Gilbert, CPA – Audit Senior Manager, engagement in-charge. Ten years of governmental agency audit experience; Holder of AICPA Advanced Single Audit Certificate.
- Beth Samit, CPA – Engagement Quality Control Reviewer, seventeen years of audit experience including reviewing experience of other CCAs.
- Andrea Lifo – Audit Senior Associate, four years of audit experience in governmental audits.

Please see **Exhibit I – Engagement Team Resumes** for additional information on the proposed engagement team. All staff to be assigned on the job have completed continuing professional education in excess of levels required by Government Auditing Standards.

With six partners, Pimenti & Brinker has the bench-strength to comply with California Government Code section 12410.6 regarding partner rotation. Additionally, we understand that continuity of engagement staffing is one of the most important factors in ensuring the success of our engagements and long-term client satisfaction. We agree to maintain engagement staffing continuity to the extent it is within our ability to do so. Replacement staff will have substantially the same or better qualifications or experience.



## **SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES**

Below is an example of some of the organizations we currently serve and contacts for references. The following engagements were performed by professionals in our Santa Rosa and Petaluma offices. Brett Bradford served as engagement partner on all of the engagements.

**Silicon Valley Clean Energy**  
**Don Eckert, Director of Administration & Finance**  
**333 W. El Camino Real, Suite 290**  
**Sunnyvale, CA 94087**  
**(408) 721-5301**

Basic financial statement audits performed for the periods ended June 30, 2016, September 30, 2016, September 30, 2017, and September 30, 2018 and engaged through 2019. Approximately 250 hours per audit.

**Sonoma Clean Power Authority**  
**Geof Syphers, CEO**  
**50 Old Courthouse Square, Suite 605**  
**Santa Rosa, CA 95404**  
**(707) 978-3463**

Basic financial statement audits performed for the periods ended June 30, 2013 through June 30, 2018 and engaged through 2019. Approximately 200 hours per audit.

**Sonoma County Water Agency**  
**and Sanitation Districts**  
**Jennifer Murray, Accounting Supervisor**  
**585 Fiscal Drive Room 100**  
**Santa Rosa, CA 95403**  
**(707)565-3679**

Basic financial statement audits performed in accordance with Government Auditing Standards for the years ended June 30, 2012 through June 30, 2018 and engaged through 2021. Approximately 900 hours per audit. Audits in accordance with the *Uniform Guidance* (the Single Audit) also performed, as needed.

**Monterey Bay Community Power Authority**  
**Tiffany Law, Director of Finance and Administrative Services**  
**70 Garden Court, Suite 300**  
**Monterey, CA 93940**  
**(831) 641-7222**

Basic financial statement audits performed in accordance with for the years ended September 30, 2018 through September 30, 2019 and under contract through 2023. Approximately 250 hours per year in total.



### **Communication is Key**

We believe that the most important element of an efficient and high quality audit is continuous communication with our client throughout the audit process. We endeavor to share our audit strategy with our clients so that they have an understanding of our methodology and ultimate objectives. We attempt to bring up concerns regarding potential accounting or reporting issues in advance. We make every effort to provide your staff with an understanding of their part in the process with the aim of minimizing disruptions to their work schedules. Development of the specific audit plan will be accomplished through:

- Meeting with RCEA's management to obtain an understanding of their concerns and challenges;
- Obtaining an understanding of RCEA's accounting processes and information systems;
- Evaluating economic and other external factors affecting RCEA's operations and finances;
- Identifying major areas of emphasis and audit risk;
- Meeting with RCEA's staff to discuss our planned audit approach and schedules to be prepared, and gaining an understanding of accounting and administrative controls via interviews and walk-throughs.

Our tailored audit approach will have a strong emphasis on early planning, focusing on RCEA and how it functions. This enables us to identify key components and customize our procedures to your unique operational aspects. With early planning we are able to respond to your needs and requests in a timely fashion.

During the audit, the engagement team members understand they have a responsibility to generate feedback that may be used in the Management Letter of Comments. Our findings will be discussed with key personnel as significant matters come to our attention. At the end of field work, the Management Letter of Comments will be drafted and reviewed again with Management for accuracy of the factual circumstances and Management is provided the opportunity to respond within the letter itself to our comments and observations.

We believe that our responsiveness to your concerns and needs is an essential part of an auditor-client relationship.

### **IDENTIFICATION OF ANTICIPATED POTENTIAL AUDIT PROBLEMS**

Based on our review of RCEA's Request for Proposal, our understanding of your accounting team and its procedures, and previous CCA experience, we do not anticipate any significant audit problems at this time. The planning and risk assessment phase of the audit will enable us to identify issues or questions early in the audit process, should any exist. Should any problems be identified, we will promptly communicate them to management of RCEA and seek an efficient and mutually agreed upon resolution.





To improve efficiency and reduce redundancy we propose to complete the 2018 and 2019 audits concurrently. Our proposed engagement fee under this combined approach is as follows:

<b>Years ending June 30,</b>	<b>2018 &amp; 2019</b>	<b>2020</b>
Financial statement audit	\$ 48,000	\$ 31,000
Management letter and board meeting attendance	<i>included.....</i>	
Special Districts Report	<i>included.....</i>	
Estimated travel costs	950	950
<b>Total all inclusive fees</b>	<b>\$ 48,950</b>	<b>\$ 31,950</b>

If a single year approach is preferred our proposed fee is as follows:

<b>Years ending June 30,</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Financial statement audit	\$ 30,000	\$ 30,500	\$ 31,000
Management letter and board meeting attendance	<i>included.....</i>		
Special Districts Report	<i>included.....</i>		
Estimated travel costs	950	950	950
<b>Total all inclusive fees</b>	<b>\$ 30,950</b>	<b>\$ 31,450</b>	<b>\$ 31,950</b>

Travel costs will be billed at cost however they will not exceed \$950 per audit. We believe in the importance of year-round communications with our clients and therefore we do not charge for time involved with answering technical questions that may arise during the year.

In developing the above fee quote we have incorporated a 20% discount from our standard hourly rates that we typically provide to governmental agencies. Should additional work be requested, such work will be performed at our then effective discounted rate.



### ***Additional services and applicable billing rates***

Our billing rates for any additional services will be billed at the following rates:

Professional Personnel	Normal rate	Government Rate (20% discount)
Partner	\$ 390	\$ 310
Manager	\$ 275	\$ 220
Supervisor	\$ 180	\$ 145
Associate	\$ 130 - 150	\$ 105 - 120

### ***Situations that may trigger additional fees***

We always endeavor to maintain our original proposed fee quotes. Historically we have achieved this on approximately 90% of our audit engagements. However, there are occasionally circumstances where the scope of work has changed from what was originally anticipated and agreed upon. Such situations would include significant accounting assistance that is requested of us, significant changes in information from what was originally provided during the audit, and significant delays in our receipt of required audit documentation that would cause scheduling conflicts or otherwise unduly delay the audit.

### ***Fees beyond the years quoted***

Barring any significant change in the scope of RCEA operations, our engagement fees will increase approximately 1%-2% per year beyond the years quoted. This projected increase is based primarily on changes in labor costs, as well as overhead.

## ABOUT PISENTI & BRINKER LLP



With over 53 years of experience, Pisenti & Brinker LLP is one of Sonoma County's largest and oldest local certified public accounting firms. Our Firm includes six partners and approximately 80 staff throughout our four offices located in Santa Rosa, Petaluma, St. Helena and Napa. Our Firm attempts to operate in an environmentally friendly manner, and is a certified Green Business under the Bay Area Green Business Program.

The North Bay Business Journal ranked us as one of the top certified public accounting firms in the North Bay. We attribute this to establishing ourselves as a "comprehensive service provider". We have achieved this status through the development and maintenance of our core competency of attestation and consultation, as well as leveraging the extended services and areas of expertise through our affiliation with RSM.

Pisenti & Brinker believes in the continued pursuit of quality - not only for the Firm but for the community in which it is located. Pisenti & Brinker has brought to the local governmental and not-for-profit communities informational conferences such as the annual Board Member Boot Camp and the Luncheon Speaker Series. Many local governmental and not-for-profit organizations have benefited from Pisenti & Brinker's basic belief in giving back to the community.

### Why Pisenti & Brinker

Pisenti & Brinker provides the experience and depth of a large firm with the personal service of a small firm. This is done at rates significantly less than that of our national competitors.

Our Firm, and our affiliate, RSM, have been performing audits of governmental agencies for many years and continue to maintain a commitment to the industry and the necessary education requirements. We are excited about the excellent services that we can offer your organizations and are confident that Pisenti & Brinker will exceed your needs.

## EXHIBIT I – ENGAGEMENT TEAM RESUMES

**BRETT P. BRADFORD, CPA**  
**PARTNER**



Bachelor of Arts  
Business Economics  
(Accounting),  
University of California,  
Santa Barbara

Licensed CPA in California  
#97202

American Institute of Certified  
Public Accountants

Brett joined Pisenti & Brinker LLP in 2005 and is a Partner in our firm's Assurance Services Department. Brett has over 16 years of experience in accounting and auditing. Prior to joining Pisenti & Brinker, Brett worked with a public accounting firm which specialized exclusively in audits of government and not-for-profit entities.

Brett has extensive experience with governmental and not-for-profit entities. Brett enhances our financial audit and accounting function by conducting evaluations of internal controls and assisting clients in developing applicable documentation. He examines organizational structures, business practices, service delivery, customer satisfaction, financial systems, office systems, contracting and risk management. He has also conducted cost/benefit studies and financial analysis for small businesses and provided assistance to both private and public sector clients.

Brett's audit experience with government agencies includes:

- Sonoma Clean Power
- Peninsula Clean Energy
- Silicon Valley Clean Energy
- Sonoma County Energy Independence Program
- Sonoma County Airport
- Sonoma County Refuse
- Sonoma County Water Agency
- Sonoma County Sanitation Districts
- Sonoma State Enterprise, Inc.
- Sonoma State Student Union Corporation
- North Coast Railroad Authority

Brett's recent relevant CPE includes:

- P&B Gov. and Yellow Book Accounting & Auditing Forum (May 2016 & 2017, 2018) – 32 hours
- RSM Compliance Audit Update (August 2016 & 2017) – 8 hours
- AICPA Gov. Audit Quality Center Annual Update (April 2015, 2016, 2017, 2018) – 6 hours
- Approximately 50 additional hours of general audit CPE.

## EXHIBIT I – ENGAGEMENT TEAM RESUMES

**MATTHEW J. BREWER, CPA**  
Audit Manager



Bachelor of Science, Business  
Administration  
(Accounting)  
Sonoma State University  
Licensed CPA in California  
#125318

American Institute of Certified  
Public Accountants

**Matt** joined Pisenti & Brinker LLP in 2012 and is a Senior Manager in the firm's Assurance Services Department.

Matt graduated from Sonoma State University with a BS in Business Administration with a concentration in Accounting. Matt manages various audits for governmental and not-for-profit agencies. He also performs audit, review, and compilation engagements for commercial entities.

Some of Matt's relevant experience includes:

- Sonoma Clean Power Authority
- Peninsula Clean Energy
- Silicon Valley Clean Energy
- Sonoma County Transportation Authority
- Sonoma County Water Agency & Sanitation Districts
- North Coast Railroad Authority
- Graton Community Services District

Business, Professional and Community Affiliations:

- Treasurer, Independent Order of Odd Fellows, Sebastopol lodge
- Board Member, Social Advocates for Youth, Sonoma County

## EXHIBIT I – ENGAGEMENT TEAM RESUMES

### KELLIN H. GILBERT, CPA AUDIT SENIOR MANAGER



Bachelor of Arts  
(Accounting and Finance)  
Chico State University  
Licensed CPA in California  
#127056  
American Institute of  
Certified  
Public Accountants

Kellin joined our Firm in 2009 and has been in public accounting for over ten years. During that time he has focused on government agency and not-for-profit audits, Single Audits of federal funds and other governmental compliance audits. Kellin has the distinction of holding the AICPA's Advanced Single Audit Certification. Kellin's experience with governmental agencies and Single Audits includes:

- Sonoma County Transportation Authority
- Sonoma County Water Agency & Sanitation Districts
- Sonoma County Treasury
- Sonoma State Enterprises, Inc.
- Associated Students of Sonoma State University
- Redwood Coast Energy Authority
- North Coast Railroad Authority
- Graton Community Services District
- Sonoma Valley Community Health Center

#### Business, Professional and Community Affiliations:

- American Institute of Certified Public Accountants (AICPA)
- California Society of Certified Public Accountants (CalCPA)
- United Way of the Wine Country, Finance Committee member
- Santa Rosa Metro Chamber of Commerce, Board of Directors
- Santa Rosa Metro Chamber of Commerce, Finance Committee Chair

## EXHIBIT I – ENGAGEMENT TEAM RESUMES

**BETH SAMIT, CPA**  
**SENIOR MANAGER**



Bachelor of Science,  
Business Administration  
Sonoma State University  
(Accounting)

Licensed CPA in California  
#105214

Beth joined Pistenti & Brinker in 2019 and is a Senior Manager in our Firm's Assurance Services Department. She has over 16 years of experience in accounting and auditing and consulting engagements and specializes in manufacturing, vineyard and service industries.

Beth manages staff on audit engagements, providing leadership, quality control, and training. Some engagements that Beth is currently involved with include:

- Monterey Bay Community Power
- Silicon Valley Clean Energy Authority

## EXHIBIT I – ENGAGEMENT TEAM RESUMES

### ANDREA LIFTO

Audit Senior Associate



Bachelor of Science,  
Business Administration  
(Accounting and Finance)  
Sonoma State University

Andrea is an experienced audit associate with Piseni & Brinker. Andrea's experience prior to working in the Accounting industry was in banking, where she gained experience in lending and excelled in providing a positive overall customer experience. Since joining our Firm she has performed assurance work for a variety of entities, including government and employee benefit plans.

Andrea participates in the Firm's recruiting efforts with Sonoma State, acting as ambassador to students who are considering a career in accounting.

Andrea supervises staff on audit engagements, providing leadership, quality control, and training. Some engagements that Andrea is currently involved with include.

- Sonoma County Transportation Authority
- Sonoma County Water Agency & Sanitation Districts
- Sonoma Clean Power Authority
- Peninsula Clean Energy
- Silicon Valley Clean Energy
- Sonoma County Family YMCA





Austin | Conroe | Dallas | Fort Worth | Houston  
Los Angeles | Midland | New York City | San Antonio

### Report on the Firm's System of Quality Control

December 13, 2018

To the Partners of  
Pisenti & Brinker 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 Pisenti & Brinker LLP (the firm) in effect for the year ended June 30, 2018. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

#### Firm's Responsibility

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

#### Peer Reviewer's Responsibility

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

#### Required Selections and Considerations

Engagements selected for review included an engagement performed under Government Auditing Standards (a compliance audit under the Single Audit Act), an audit of an employee benefit plan, and an examination of a service organization [SOC 1 engagement].

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.

Weaver and Tidwell, L.L.P.  
2300 North Field Street, Suite 1000 | Dallas, Texas 75201  
Main: 972.490.1970 | Fax: 972.702.8321  
**CPAs AND ADVISORS | WEAVER.COM**

### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Pimenti & Brinker LLP in effect for the year ended June 30, 2018, 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. Pimenti & Brinker LLP has received a peer review rating of pass.

*Weaver and Tidwell, LLP*  
WEAVER AND TIDWELL, L.L.P.



**James Marta & Company LLP**

*Certified Public Accountants*

*Accounting, Auditing, Consulting, and Tax*

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Redwood Coast Energy Authority

**Professional Auditing Services**

Due 5:00 PM, April 24, 2019

Redwood Coast Energy Authority

Attn: Finance Subcommittee

633 3<sup>rd</sup> Street

Eureka, CA 95501

James Marta & Company LLP

Contact: Jesse Deol, CPA

Email: [JDeol@JPMCPA.com](mailto:JDeol@JPMCPA.com)

701 Howe Avenue, Suite E3

Sacramento, CA 95825

(916) 993-9494

Fax (916) 993-9489

[www.JPMCPA.com](http://www.JPMCPA.com)



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## James Marta & Company LLP

*Certified Public Accountants*

*Accounting, Auditing, Consulting, and Tax*

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### 1. COVER/TRANSMITTAL PAGE

April 24, 2019

Redwood Coast Energy Authority

Attn: Finance Subcommittee ([LBiondini@RedwoodEnergy.org](mailto:LBiondini@RedwoodEnergy.org))

633 3rd Street

Eureka, CA 95501

#### RE: Professional Auditing Services

We are pleased to respond to the Redwood Coast Energy Authority (Authority or RCEA) RFP for Professional Auditing Services for the fiscal years ending June 30, 2018, 2019 and 2020.

We understand that RCEA must complete its FY 2017/18 financial audit. We will dedicate our experienced team members to expedite the schedule while complying with applicable audit standards.

We are a Certified Public Accounting Firm that has specialized in auditing Community Choice Aggregators, Special Districts, Joint Powers Authorities and Local Government Agencies since 1988. We are licensed, qualified, trained and experienced in conducting financial audits of Community Choice Aggregators with complex fund structures, federal grants, bonds, and GASB requirements. Here's what separates James Marta & Company from other auditors:

- **We Value Your Time:** We've honed our approach to meet audit deadlines on time, every time. We also use your time effectively, minimizing disruptions to your operations and our time in your space.
- **Partner Engagement:** You'll gain partner-level insight at every step and all year round.
- **Experienced in Power:** We understand complex funding, debt accounting and reporting requirements facing Community Choice Aggregators, Municipal Utility Districts, and Joint Powers Authorities.
- **No Surprises:** You stay up to speed with frequent personal updates and a project portal that shows real-time status of every item under review.
- **We Help You Apply Your Audit to Improve:** Your audit is an effective tool to help you better understand operational risks and improve controls. We help you apply your audit for continual improvement.
- **Ongoing Support:** We're here as your year-round resource for independent perspectives and partner-level advice on closings, financial statements, and compliance matters.

#### FIRM INFORMATION

Name: James Marta & Company LLP

Footprint: James Marta & Company is a regional firm that serves clients in California, Oregon, Washington, Alaska, Utah, and Vermont.

Address: 701 Howe Avenue, Suite E3, Sacramento, CA 95825

Telephone: 916-993-9494

Staff: Three Partners; One Supervisor; 10 Staff



## James Marta & Company LLP

*Certified Public Accountants*

*Accounting, Auditing, Consulting, and Tax*

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### AUTHORIZATION TO REPRESENT

As partners, James Marta, CPA, CGMA, ARPM; David Becker, CPA, and Jesse Deol, CPA are authorized to represent James Marta & Company LLP, answer questions and sign binding contracts on behalf of the firm.

### LICENSED KEY STAFF

The project will be overseen by Jesse Deol, CPA, Engagement Partner and reviewed by James Marta, CPA, CGMA, ARPM, Technical Review Partner. Both Partners are licensed to practice in California.

### INDEPENDENCE

James Marta & Company LLP is independent of Redwood Coast Energy Authority as defined by Generally Accepted Government Auditing Standards.

James Marta & Company LLP's quality control program aligns with the AICPA's Quality Control Standards, ethical mandates and code of professional conduct. We have firm policies related to leadership, independence, objectivity, conflict of interest, client relationships, engagement supervision and review, documentation, and more.

### PROFESSIONAL RELATIONSHIPS WITH RCEA

We have no professional relationships with RCEA within the past five years. We know of no professional relationships between James Marta & Company LLP, the firm's partners, or employees and the Redwood Coast Energy Authority that would pose a conflict of interest.

Should a professional relationship arise between James Marta & Company and RCEA, its member agencies, or board members that is outside of this potential Audit Contract we will provide RCEA written notice during the period of the agreement.

### COMMITMENT TO TIMELY DELIVERY

We have a long record of on time delivery. If we are selected for this engagement, we will commit the resources necessary for the successful and timely completion of the work. We further understand that RCEA 2017/2018 audit must still be completed. We will commit an experienced team to work with you to expedite your 2017/2018 audit schedule and resulting reports.

This proposal is valid for 60 days after the proposal due date.

Please contact me or James Marta ([JMarta@JPMCPA.com](mailto:JMarta@JPMCPA.com)) if we can provide additional information.

Sincerely,

Jesse Deol, CPA, Partner

James Marta & Company LLP

[JDeol@JPMCPA.com](mailto:JDeol@JPMCPA.com)

(916) 993-9494



## 2. FIRM QUALIFICATIONS AND EXPERIENCE

James Marta & Company LLP is a Certified Public Accounting firm that helps municipal utility districts and Community Choice Aggregators (CCAs) like Redwood Coast Energy Authority stabilize their financial core, manage risk, ensure compliance, improve operations, report transparently, and meet stakeholder's interests. The firm has been licensed to practice in the State of California since 1988. The firm is known for delivering premium service and a high level of Partner engagement. We are recognized as a leader in Audit, Tax, Accounting and Consulting services.

We work with CCAs, Special Districts, Joint Powers Authorities, Government Insurance Pools, School Districts, Government Agencies, Nonprofit organizations, small businesses and individuals in California, Oregon, Washington, Alaska, Utah and Vermont. We conduct more than 100 audits each year.

We are uniquely qualified to help you conduct your audit. Here's why.

**Our Partners Are Your Partners:** At James Marta & Company, the term Partner is more than a title. We're here to help you work through your toughest challenges. Have a question? Our Partners routinely pick up the phone. Need help beyond your audit? We provide insight on strategy, performance, Board training and more — year-round.

**Experience in Power:** We specialize in serving Community Choice Aggregators and Municipal Utility Districts, Joint Powers Authorities, and Special Districts. These entities are often engaged with complex funding, long-term debt, Proposition 39 bonds, power purchase agreements, insurance contracts, pensions, GASB and other reporting standards. Above all they must maintain public trust through transparent and accurate accounting and reporting.

**Ongoing Support:** As your year-round resource, we provide independent perspectives and practical advice on closings, financial statements, and compliance standards. We not only meet statutory requirements, we also provide practical recommendations tailored to your needs. We don't just identify issues; we answer your audit and accounting-related questions throughout the year. These services include:

- Evaluation and consulting for closing entries;
- Guidance in the preparation of Annual Financial Statements;
- Assistance in the implementation of new accounting standards;
- Assistance with new federal or state compliance standards; and
- Year-round availability for consultation on accounting and audit topics.

**We Communicate Throughout the Project:** We start by developing a great working relationship. Then, we communicate at every step through conversations and progress reports. We also provide a portal that shows real-time progress on every request. At the end of the project there should be no surprises.

*"I really like having Jim Marta & Company as the local firm who is part of the overall audit team. They are a sharp group of professionals who really understand the energy industry. When we call them, they respond quickly and always provide valuable feedback.*

*It's a great relationship that I look forward to continuing into the future."*

Sandra Moorman, Director,  
Accounting & Controller,  
Sacramento Municipal Utility  
District (SMUD)





**We Value Your Time:** We've honed our approach to minimize disruptions and meet your deadlines. We start with a plan, define risks, set expectations, and publish due dates. Then we apply field-proven methods and state-of-the-art tools to ensure an effective effort.

### LICENSED TO PRACTICE IN CALIFORNIA

James Marta & Company LLP is licensed as a Certified Public Accountant in the State of California. We have maintained our certification since 1988. We will assign a California-Licensed CPA as the auditor in charge.

CA.GOV

dca SEARCH

**BOARD OF ACCOUNTANCY**

**LICENSING DETAILS FOR: 7657**

**NAME:** JAMES MARTA & COMPANY, LLP  
**LICENSE TYPE:** CPA - PARTNERSHIPS  
**LICENSE STATUS:** CLEAR

**ADDRESS**  
701 HOWE AVENUE, SUITE E3  
SACRAMENTO CA 95825  
SACRAMENTO COUNTY  
[MAP](#)

**ISSUANCE DATE**  
SEPTEMBER 5, 2014  
**EXPIRATION DATE**  
SEPTEMBER 30, 2020  
**CURRENT DATE / TIME**  
FEBRUARY 12, 2019  
8:35:26 AM

### FIRM QUALIFICATIONS

Following is a summary of our qualifications:

- Over **30 years' experience providing audit, accounting and controller/CFO services** to Municipal Utility Districts, Special Districts, Joint Powers Authorities, Municipal Agencies, and State Government.
- Experience with debt financing, refinancing, and arbitrage calculations.
- Specialized training in audits of Municipal Utility Districts, Special Districts, and JPAs.
- Extensive **experience and training in conducting single audits** of federally funded programs in accordance with Uniform Guidance (formerly OMB Circular A-133).
- Experience preparing **Comprehensive Annual Financial Reports** according to GFOA standards.
- Experience preparing, reviewing and submitting the Financial Transactions Report required by the State Controller's Office.
- Member and presenter for **California Special Districts Association** at conferences and webinars.
- Experience in calculating **Net Pension and Other Post Employment Benefits (OPEB)** liability in accordance with GASB standards.
- All staff in the firm are trained, experienced and qualified to audit municipal districts.
- **Frequent presenter and trainer** on subjects including the Board's Role in Finance and Fiscal Accountability. Compliance, Internal Controls, Fraud Prevention and Detection, Accounting, Auditing and Board Governance Responsibility and Accountability.
- **Year-round resource** to answer questions and assist in applying your audit for continual improvement.





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## REPRESENTATIVE CLIENTS

### Energy Sector

- Valley Clean Energy (Community Choice Aggregator)
- Sacramento Municipal Utilities District (SMUD)
- Central Valley Financing Authority
- Northern California Gas Authority No. 1
- Sacramento Cogeneration Authority
- Sacramento Municipal Utility District Financing Authority
- Sacramento Power Authority

### Special Districts and Joint Powers Authorities

- California Enterprise Development Authority
- California Mental Health Services Authority District
- Keyes Community Services District
- Lathrop-Manteca Fire Protection District
- Livermore Area Recreation & Park District

- Local & Regional Government Services Authority
- McKinney Water District
- Mid-Peninsula Water District
- NorthStar Community Services District
- Purissima Hills Water District
- Sacramento LAFCO
- Sacramento Metropolitan Air Quality Management District
- Sacramento Transportation Authority
- Southgate Recreation & Park District
- Truckee Donner Recreation and Park District
- Truckee Fire Protection District
- Truckee Tahoe Airport District
- Truckee-Donner Recreation and Park District

*"I have been working with James Marta for the last five years. They are easy to work with, very professional, plan work ahead of time and communicate effectively."*

Gena Carlisle, Principal Financial Accountant, Sacramento Municipal Utility District (SMUD), JPA Section (Central Valley Financing Authority; Northern California Gas Authority No. 1; Sacramento Cogeneration Authority; Sacramento Municipal Utility District Financing Authority; Sacramento Power Authority),



## REFERENCES

We work hard to earn the trust of our clients and strive to develop a partnership to work as a team. **Please call our references to learn how we make for our clients.**

Organization	Contact	Scope/Dates	Engagement Partner	Hours
<b>Valley Clean Energy</b>	Lisa Limcaco Director of Finance 530-446-2752 <a href="mailto:Lisa.Limcaco@valleycleanenergy.org">Lisa.Limcaco@valleycleanenergy.org</a>	Financial Audit 2018 – present	David Becker – Engagement Partner  Jesse Deol – Supervising Manager	300
<b>Sacramento Municipal Utility District (SMUD) and affiliated Joint Powers Authorities</b> <ul style="list-style-type: none"> <li>• Central Valley Financing Authority</li> <li>• Northern California Gas Authority No. 1</li> <li>• Sacramento Cogeneration Authority</li> <li>• Sacramento Municipal Utility District Financing Authority</li> <li>• Sacramento Power Authority</li> <li>• SMUD</li> </ul>	Gena Carlisle 916-732-5490 <a href="mailto:gena.carlisle@smud.org">gena.carlisle@smud.org</a>	Financial Audits for each JPA including separate opinions and financials.  SMUD Debt calculations 2011 – present	James Marta – Engagement Partner  Jesse Deol – Supervising Manager	500
<b>NorthStar Community Services District</b>	Mike Staudenmayer 530-550-6128 <a href="mailto:mikes@northstarcsd.com">mikes@northstarcsd.com</a>	Audit 2011 – present	David Becker Engagement Partner  James Marta – Technical Review Partner	320

## PEER REVIEW

The firm's quality control program is verified through AICPA's independent peer review program. This review verifies that we uphold the professional standards of quality in our policies, procedures and practices.

Our most recent peer review resulted in a rating of Pass – the highest rating available. A copy of our 2018 peer review report is included in [Appendix B](#).

## STATE BOARD OF ACCOUNTANCY CORRESPONDENCE

James Marta & Company has had no audits rejected by either the federal or state controller's offices within the last three years. James Marta & Company has no disciplinary action taken or pending against the firm in the last three years.



### 3. PROJECT TEAM QUALIFICATIONS AND EXPERIENCE

We are proposing the following team members to perform the audit:

Name	Certifications	Role	Experience
Jesse Deol	CPA	Engagement Partner	11 Years
James Marta	CPA, ARPM, CGMA	Technical Review Partner	30+ Years
Michael Manduca		Supervisor	11 Years
Drew Sakauye	CPA	Senior	6 Years
Jeff Gamir		Staff	3 Years

We assign two Partners to every engagement – an Engagement Partner and a Technical-Review Partner. These roles are intentionally divided to serve the client’s needs while maintaining professional standards.

- **Engagement Partner:** Jesse Deol, CPA, will provide project oversight throughout the engagement; present the final audit report; and answer questions throughout the year.
- **Technical-Review Partner:** James Marta, CPA, ARPM, CGMA will validate the team’s work, providing the independent perspective required for thorough quality control.

Together, these leaders bring more than 40 years of direct experience in conducting financial audits of Joint Powers Authorities. You’ll benefit from their practical knowledge, lessons learned and proficiency. As a mid-sized firm, our Partners work closely on every engagement, maintaining clear communication about project status, issues and concerns, and opportunities for improvement.

All Partners are licensed by the State of California to practice as Certified Public Accountants.

#### TRAINED AND EXPERIENCED TEAM

Delivering a high-quality audit requires an effective team with appropriate technical skills and industry experience. We invest in our professional staff by providing them with the best training and tools to achieve excellence in every engagement and ensure compliance with professional standards.

Each of our staff is experienced in auditing Joint Powers Authorities and governmental agencies and undergoes a rigorous professional development program designed to ensure that each member of the audit team can carry out his or her responsibilities according the exacting standards set by our profession. We also have specific expertise in accounting and reporting for bonds and other long-term obligations.

#### RESUMES

Resumes for each member of your audit team are provided in [Appendix A](#).

#### The Value of Experience

- We’ve refined our approach to make your audit as easy as possible.
- Our practical knowledge helps us identify and test for risks.
- We know how to avoid pitfalls and challenges.
- We help you apply your audit to strengthen operations.



## **4. AUDIT APPROACH**

### **PROJECT UNDERSTANDING**

We understand that the Authority is seeking the services of a Certified Public Accountant to conduct an Independent Financial Audit and related services in accordance with Generally Accepted Accounting Principles (GAAP). These services include:

- Perform an independent annual financial audit of the Authority. The audit includes risk identification, testing procedures and internal controls, interim and final reports, project communications, and the auditor's opinion (see Scope);
- Test internal controls over financial reporting and compliance with laws, regulations, contracts or grant agreements in accordance with GAGAS. Report results of testing to the RCEA Board and Management identifying deficiencies, weaknesses and providing recommendations for improvement.
- Prepare and forward the Financial Transactions Report (pursuant to Government Code Section 53891) to the State Controller's Office;
- Conduct all appropriate communications including entrance conference, project status updates, interim management letter, exit conference, and presentation to the Authority's Board of Directors. Note: some conferences will be conducted remotely when appropriate and mutually agreeable; and
- Provide year-round consultation regarding the audit report and related financial accounting.

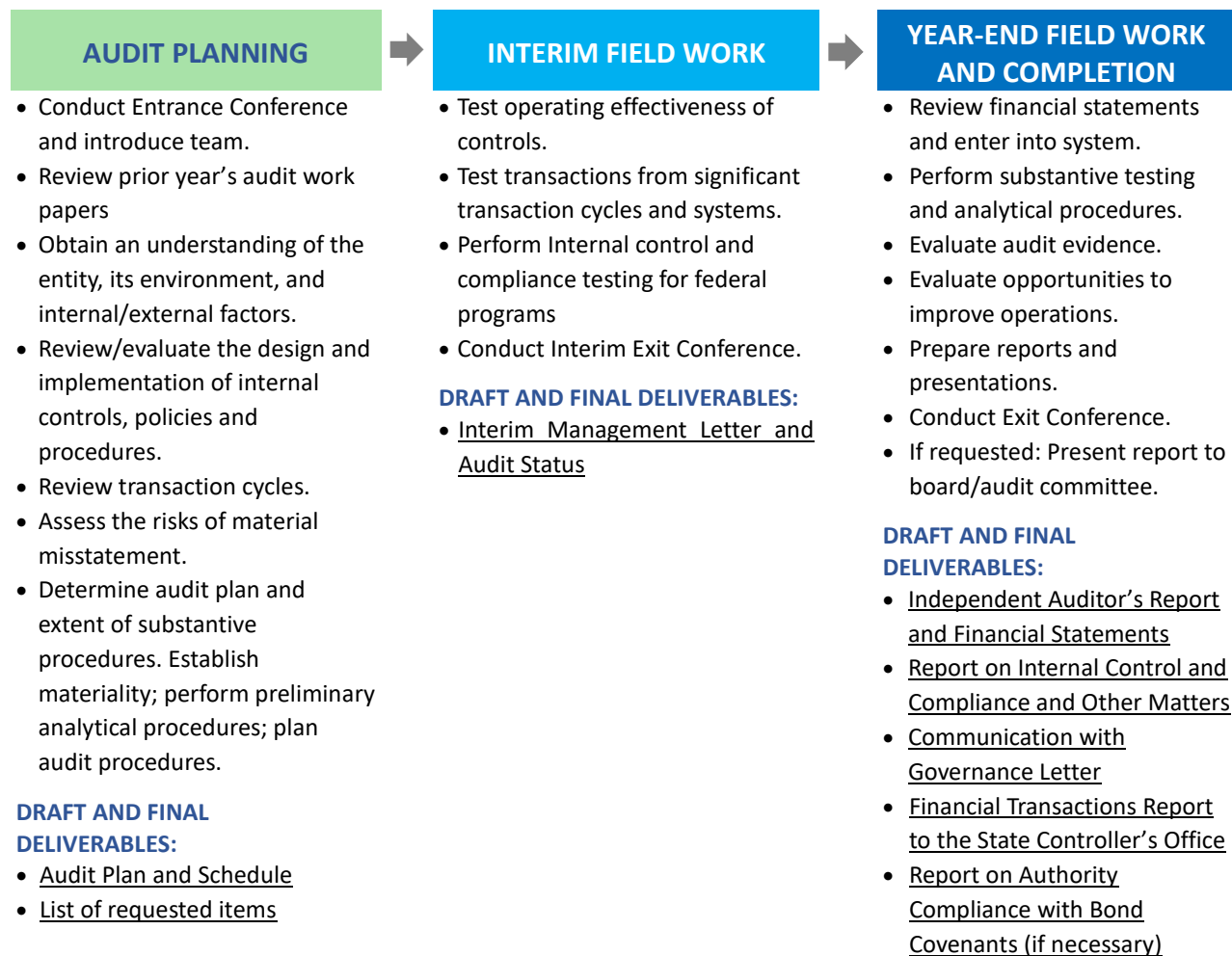
If selected, we will conduct the audit and express an opinion on the fair presentation of the financial statements in accordance with applicable standards and laws including:

- The AICPA Audit Guide, Audits of State and Local Government Units, generally accepted auditing standards;
- The California State Controller's Minimum Audit Requirements and Reporting Guidelines for California Special Districts; and
- The United States General Accounting Office (GAO) Government Auditing Standards, Office of Management and Budget (OMB), Audits of States, Local Governments and Nonprofit Organizations.



## SCOPE AND SCHEDULE

The following table provides a visual reference for the tasks that will occur in each segment of the audit.





## WORK PLAN

Once appointed the auditor of your organization, we will promptly agree on the dates of the interim and year-end fieldwork and the corresponding deliverables and answer questions concerning your industry, your organization's business activities, operations and accounting, and the preparation of the financial statements.

To accomplish the audit of FY 2017/2018 we will work with RCEA's Finance Subcommittee and the Director of Business Planning and Finance to define a mutually agreeable schedule to accelerate the project.

The following are the key phases of our standard audit process:

SPECIFIC PROCEDURES	STAFF	SCHEDULE
<b>PHASE I – AUDIT PLANNING</b>		
<b>Introduction of Staff</b> <ul style="list-style-type: none"><li>Meet with representatives to discuss:<ul style="list-style-type: none"><li>Approach to the audit</li><li>Client assistance checklist</li><li>Timelines</li></ul></li></ul>	Partner Manager	June
<b>Risk Assessment Procedures</b> <ul style="list-style-type: none"><li>Obtain an understanding of the external and internal factors affecting the organization</li><li>Review and evaluate the design of internal controls including Authority policy and procedure manuals.</li><li>Review of the significant transaction cycles</li><li>Assess the risk of material misstatements</li></ul>	Partner Manager  Senior	June
<b>Audit Planning</b> <ul style="list-style-type: none"><li>Develop the individual plan for the audit (based on the internal control review, risks identified, our understanding of the client and the industry)</li><li>Establish materiality</li><li>Perform preliminary analytical procedures</li><li>Plan audit procedures in response to assessed risks</li></ul>	Partner Manager Senior	June
<b>PHASE II – INTERIM FIELD WORK</b>		
<b>Internal Controls Testing</b> <ul style="list-style-type: none"><li>Test of controls.</li><li>Tests performed on transactions from significant transaction cycles and systems.</li><li>Tests performed on major federal programs for controls and compliance.</li></ul>	Senior  Staff	July
<b>Interim Exit Conference</b> <ul style="list-style-type: none"><li>Meeting with business manager to discuss results of interim work</li></ul>	Partner Manager	July
<b>Interim Management Letter (if necessary)</b> <ul style="list-style-type: none"><li>Preliminary management comments are drafted into a letter and issued to management.</li></ul>	Partner	August



SPECIFIC PROCEDURES	STAFF	SCHEDULE
<b>PHASE III – YEAR-END FIELDWORK AND AUDIT COMPLETION</b>		
<ul style="list-style-type: none"> <li>Obtain financial statements and enter them into financial statement program</li> <li>Complete any general federal compliance, compliance in major programs, and regulatory compliance.</li> </ul>	Senior Staff Senior Staff	September
<b>Substantive Testing and Analytical Procedures</b> <ul style="list-style-type: none"> <li>Perform analytical procedures as necessary</li> <li>Verify account balances for the relevant financial statement assertions</li> <li>Perform substantive testing</li> <li>Evaluation of evidence obtained</li> </ul>	Partner Manager Senior Staff	September
<b>Operations</b> <ul style="list-style-type: none"> <li>Evaluate opportunities for improvements</li> </ul>	Partner	September
<b>Draft Audit Report</b> <ul style="list-style-type: none"> <li>Prepare audit report based on audit work and evidence obtained</li> <li>Prepare all related disclosures</li> </ul>	Manager Senior	October
<b>Exit Conference</b> <ul style="list-style-type: none"> <li>Meet with management/audit committee to discuss results of audit</li> <li>Review draft audit report</li> </ul>	Partner Manager	October
<b>Final Audit Reports</b> <ul style="list-style-type: none"> <li>Independent Auditor’s Report and Financial Statements</li> <li>Report on Internal Control and Compliance and Other Matters</li> <li>Communication with Governance Letter</li> <li>Financial Transactions Report to the State Controller’s Office</li> </ul>	Partner Partner	October
<b>Governing Board Meeting</b> <ul style="list-style-type: none"> <li>Presentation of report to the board</li> </ul>	Partner	November

## PRELIMINARY SCHEDULE

We have proposed a preliminary schedule that can be accomplished without putting undue burden on your team. Once selected, we will refine this preliminary schedule in collaboration with you.

	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan
Phase I – Audit Planning										
Phase II – Interim Field Work										
Phase III – Year-End Fieldwork and Audit Completion										



## PLANNED HOURS

Classification	Audit Planning	Interim Field Work	Year End Field Work and Completion	Total Hours
Partner	12	8	16	36
Supervisor	12	8	20	40
Senior	12	36	52	100
Staff	12	36	52	100
Total				276

## PROJECT APPROACH

Our audit methodology puts a strong emphasis on planning. This helps us understand your organization, the environment, financial operations, internal controls, and risks. This foundation, together with our industry expertise, helps us focus testing on the areas of highest potential risk. Advance planning results in an effective, cost-efficient and timely audit which will ultimately benefit you. Our approach involves:

- **Risk Assessment.** We identify and assess the risk of material misstatements through interviews with management, analytical procedures, observations, and inspection. Based on our assessment, we will plan and perform procedures that are responsive to risks identified. This will cover the following areas:
  - Financial reporting framework;
  - Business and industry;
  - Accounting policies and practices;
  - Financial performance; and
  - Internal controls.
- **Process of Review.** We review all work performed, management letters, and reports to ensure that all appropriate professional and technical standards are maintained. With this process, we also assess new standards and their potential impact on the audit process and its resulting report.
- **Use of Advanced Audit Tools.** We use state-of-the-art software designed to conduct paperless audits and expedite routine activities. These computer-assisted auditing techniques helps us analyze large amounts of data and more efficiently select risky items.
- **Open Communication.** Throughout the audit, we explain our procedures. We keep you apprised of our work status from the preliminary audit work through the delivery of the report and other required audit communications. An audit status report highlights the following:
  - Summary of the audit report;
  - Financial position and results of operations; and
  - Current issues and significant trends.

When you receive your draft report, there shouldn't be any surprises.





## WE MAKE THE AUDIT AS EASY AS POSSIBLE

To minimize disruption to your business operations and eliminate duplicate effort, we make every effort to use schedules and analyses you have prepared for internal purposes. Because we're experienced working with Community Choice Aggregators, JPAs and Special Districts, we have prepared customized forms and procedural checklists to streamline the process. You will receive an advance list of items and tasks, such as:

- Completion of transaction testing schedules (supplied by the auditor);
- Questionnaires (provided in electronic form);
- Account schedules and analyses;
- Bank statement reconciliations and confirmation letters; and
- Other information to support notes to the financial statements.

Completing these schedules before starting fieldwork helps produce a smooth engagement and minimize interruptions. This helps keeping your audit costs low and ensures timely completion.

### How We Make Your Audit Easy

- Checklists show all requests and help streamline the process.
- Progress screens show real-time status.
- You can easily and securely upload hundreds of documents.
- We minimize the time working in your space.
- Regular project communication keeps you up to date.

## SYSTEMATIC QUALITY CONTROL

James Marta & Company's quality control policies and procedures align with the elements of quality control established by the AICPA's professional standards for Certified Public Accountants. All employees of the firm are trained in our quality control policies and procedures and are responsible for understanding, implementing, and adhering to them. Our Quality Control program aligns with the AICPA's six elements of quality control. These are:

- Leadership (e.g. ethical tone; independence; quality supersedes commercial considerations; documented procedures).
- Ethical requirements (e.g. objectivity and independence; integrity; confidentiality).
- Acceptance and continuance of client relationships and specific engagements (e.g. conflicts of interest).
- Human resources (e.g. adequate personnel; equal opportunity employment; training and CPE; performance evaluation).
- Engagement performance (e.g. planning and supervision; documentation and records retention; separate partners for engagement and technical review).
- Monitoring (Every engagement is reviewed by the in-charge, supervisor, and partner to ensure completeness and accuracy. Annual internal inspection and review of the QC program; updates to reflect new standards; professional development; and independent peer review).

Our procedures are verified through an independent peer review. This AICPA program verifies that we are upholding the professional standards of quality in all respects. Our most recent peer review resulted in a rating of Pass – the highest rating available. Our most recent peer review letter is provided in [Appendix B](#).



## **SAMPLE SIZE AND STATISTICAL SAMPLING**

When determining the appropriate sample sizes and selection procedures for compliance, we consider the nature of the compliance area, controls implemented by the Authority in overseeing compliance, risk of non-compliance, the impact of non-compliance, population size and frequency of transactions.

We start by determining which compliance areas apply to the Authority, its funding sources and programs. Then we develop an understanding of policies, procedures and controls in place to ensure and monitor compliance. After evaluating the characteristics of your control environment, we apply a risk-based approach to design appropriate audit tests and procedures.

In compliance testing, materiality of transactions is generally not a factor, so the entire population is subject to testing. When selecting samples, we consider the risk characteristics and value of transactions, then select our samples. After considering all the relevant factors and risks, we typically select from 10 to 50 transactions per program.

Items may be chosen for testing through random sampling, systematic selection, haphazard selection, or block sampling. The specific selection method will be determined by the auditor after assessing risk.

## **APPROACH TO TESTING INTERNAL CONTROLS**

The first purpose of internal controls testing is to obtain control reliance and potentially reduce the amount of substantive testing required to obtain assurance for an area. Second, a test of controls validates, on a sample basis, if processes are being implemented properly by the people responsible for executing it. Control tests determine if the entity is actually applying the game plan for control processes that they adopted. Once we validate the operating effectiveness of the control, we can reduce the amount of substantive testing.

We apply the following steps to assess internal controls as part of our financial audit process.

1. Obtain an understanding of the entity and the nature of the business.
2. Determine the departments and environment where transactions occur (e.g. number of employees, location, resources available, complexity of the transactions).
3. Identify key transaction cycles that are significant to the audit and/or high risk.
4. Identify key controls and determine if they are designed properly.
5. Identify risks and assertions related to the transaction cycle.
6. Walk through transactions from start to finish (including documentation, workflow, forms (paper or electronic), associated information systems, system automation, alerts (out of range), reports, escalation, authority levels, and approvals for the given transaction).
7. Identify the total population subject to the specific internal control.
8. Identify attributes of the testing that would address identified assertions.
9. Test samples for proper implementation with designed control.

If control reliance has been achieved, substantive sample sizes may be reduced for the transaction cycle tested.



## LEVEL AND NATURE OF SUPPORT

Authority Management (Director of Business Planning and Finance) will ensure that all audit requests are provided in a timely manner. This will be discussed during the entrance conference.

- Participate in determining Authority staff availability to support field work on the agreed dates.
- Management must be available for audit inquiries, entrance and exit conferences.
- Management to ensure staff provide requested documentation as agreed.

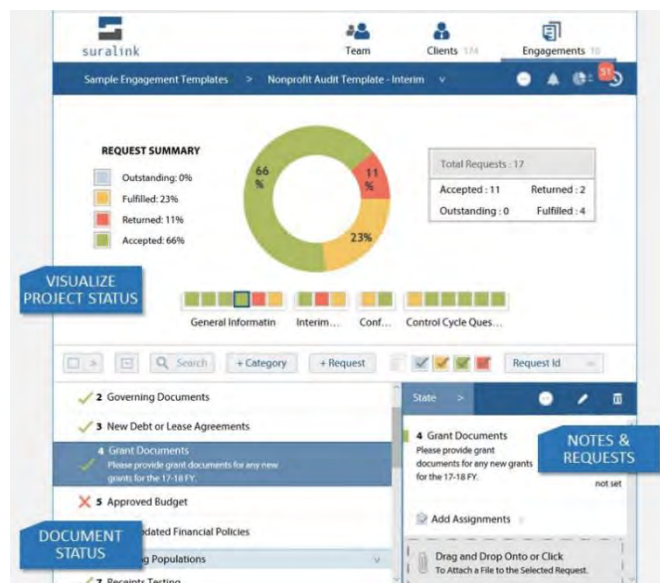
## SOFTWARE THAT HELPS US PERFORM EFFICIENTLY AND EFFECTIVELY

We leverage two, state-of-the-art systems to help us ensure effective communication, document management, records retention, and workflow.

### SURALINK'S INTUITIVE INTERFACE SIMPLIFIES PROJECT TRACKING

During the audit, you have access to Suralink – software that enables secure document transfer, processing, and a status tracking. You'll have unlimited storage and accessibility to the prior year's documentation for reference. To increase accountability, notifications are sent to both parties. Requests can be assigned to an individual or a department along with questions and comments. As shown in the example, Suralink's real-time portal provides visual status for all requests. Users can drill down for details. Suralink provides:

- Clear visual status of the review in aggregate as well as individual documents;
- Secure and easy document transfer;
- Auditors access and review documents within the system and track status as they go;
- Access restriction to support confidentiality;
- Store documents as a reference for future audits and to meet records retention requirements;
- Transparency of status and requests throughout the process; and
- Accountability for assignments.



### PROSYSTEM FX FACILITATES PAPERLESS WORKFLOW

ProSystem fx Engagement is a digital file management system that provides versatile workflow management of workpapers, trial balances, and other documents. This paperless system helps us:

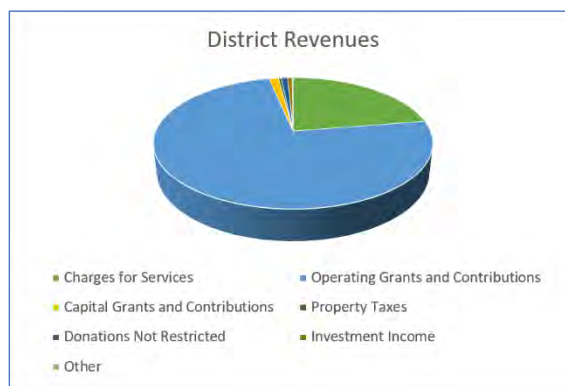
- Streamline every step securely from setup to sign off;
- Automate dissemination of data to ensure accuracy;
- Monitor and control engagements from start to finish;
- Automate trial balance reporting;
- Ensure file integrity with secure document management and storage;
- Manage document and workpapers with digital binders; and
- Expedite projects by allowing multiple staff to collaborate from any location with versatile access.



## BENEFITS OF OUR PROCESS

Ultimately, an audit should not just check that reported numbers agree to backup documentation. Rather, we aim to help you use the audit to better understand your organization's operations and improve controls. We bring our considerable experience into your process to broaden the support of your business and operations. We help you:

- *Analyze your operations* including relationships between funding, expenditures, and service levels. This provides the information you need to:
- Ensure that you are receiving the funding which you are entitled to receive;
- Focus on programs from a management perspective (i.e. programs that encroach on general fund);
- Diagnose areas that need elevated focus for improved management controls;
- Identify training needs for personnel;
- Anticipate growing costs and their potential effect on future budgets; and
- Recognize opportunities to improve procedures and training.
- *Visualize your position.* Our graphical summary helps us clearly communicate your position and historical trends of your organization.
- *Be better prepared to face common pressures.* We give management practical advice on what role a board should play in overseeing their Authority. We have helped our clients develop accounting systems that ensure accountability and full utilization of their resources.





## 5. COSTS AND FEES

Classification	Total Hours	Hourly Rate	Total
Partner	36	\$ 275	\$ 9,900
Supervisor	40	165	6,600
Senior	100	135	13,500
Staff	100	110	11,000
Subtotal	276		\$ 41,000
Multi-Year Discount			(6,000)
<b>Total Fees</b>			
For the Year Ended June 30, 2018			\$ 35,000
For the Year Ended June 30, 2019			\$ 35,900
For the Year Ended June 30, 2020			\$ 36,800

### NOTES, EXCLUSIONS AND ADDITIONS

Note: Payment by Credit Card is subject to a 5% processing fee.

We will submit monthly progress billings during the audit process.

The fees quoted are based upon several assumptions about the adequacy of the accounting records, the degree of assistance to be provided by your personnel, and current auditing and accounting standards.

Our fees do not include services such as closing year-end accounts or account reconciliations. If extraordinary matters come to our attention (i.e. significant changes in your operations, material weakness in your internal controls, etc.) that require an extension of our services, we will consult with you concerning additional work to be done by you and/or an adjustment to our fees.

In the event that the GASB, FASB, AICPA, GAO, or the State issues additional standards or audit procedures that require additional work during the audit period, we will discuss these requirements with you. Before proceeding, we will prepare an estimate (if necessary) for performing the additional work.



## **APPENDIX A: RESUMES**



## JESSE DEOL, CPA

### ENGAGEMENT PARTNER

Jesse is a firm Partner with more than 11 years of experience in auditing, consulting and accounting for LEAs, joint powers authorities, special districts, employee benefit plans, local government agencies and nonprofits.

### TEACHING & INDUSTRY LEADERSHIP

Single Audit training per the Uniform Guidance (internal and external);  
 State Compliance for LEAs (internal and external);  
 Associated Student Body for various school districts;  
 Updates to State Compliance requirements for local education agencies, year-end closing process, and impact of new GASB implementation for various COEs and School Districts.

### PROFESSIONAL AFFILIATIONS

American Institute of Certified Public Accountants (AICPA)  
 California Society of Certified Public Accountants (CSCPA)

### SELECT CLIENTS

#### Special Districts

Mid-Peninsula Water District  
 NorthStar Community Services District  
 Truckee Donner Recreation and Park District  
 Southgate Recreation and Park District  
 Sacramento Metropolitan Air Quality Management District  
 Sacramento LAFCO  
 Solano LAFCO

#### Local Education Agencies (LEAs)

Acalanes Union High School District  
 Benicia Unified School District  
 Butte County Office of Education  
 Brentwood Unified School District  
 Colusa Unified School District  
 Colusa County Office of Education  
 Elk Grove Unified School District  
 Eureka City Unified School District  
 Fairfield Suisun Unified School District  
 Fresno Unified School District  
 Gilroy Unified School District  
 Humboldt County Office of Education  
 John Muir Charter School  
 Kirkwood Elementary School District  
 Maxwell Unified School District  
 Nevada County Superintendent of Schools  
 Northern Humboldt UHSD  
 Pierce Joint Unified School District  
 Placer County Office of Education  
 Placer Union High School District  
 Roseville Joint Union High School District  
 Rocklin Academy Family of Schools  
 Sacramento County Office of Education  
 Sierra Community College District  
 Vacaville Unified School District  
 Washington Unified School District  
 Winters Joint Unified School District  
 Woodland Joint Unified School District

#### Nonprofit Organizations

Women's Health Specialists  
 Yolo Hospice  
 Charis Youth Center  
 California Special Districts Association  
 California Hotel and Lodging Association  
 California Transit Association  
 Paradise Oaks Youth Services  
 State Association of County Retirement Systems

#### Joint Powers Agencies

Bay Areas Schools Insurance Cooperative  
 Calif. Housing Worker's Compensation  
 California Transit Systems JPA  
 Central Valley Financing Authority  
 Northern California Gas Authority  
 North Coast Schools Insurance Group  
 North Coast Schools Medical Insurance  
 Sacramento Cogeneration Authority  
 Sacramento Municipal Utility District Financing Authority  
 Sacramento Power Authority  
 West San Gabriel Workers' Compensation  
 West San Gabriel Liability/Property JPA

### ROLE & RESPONSIBILITIES

- Audit risk assessment, audit design, planning, controlling, reviewing and evaluating fieldwork.
- GAAP Conformance
- Communication with executive team and Board.
- Manages audit team, tasks, progress, and schedule.
- Available for questions.

### EDUCATION

- California State University, Sacramento B.S. Accounting

### CERTIFICATIONS

- CPA
- Intermediate Single Audit
- Cybersecurity Fundamentals for Finance and Accounting Professionals

### SPECIALIZATION

- Joint powers authorities, special districts, LEA, employee benefit plans, local government and non-profits.
- Single Audits using the Uniform Guidance (formerly OMB Circular A-133).

### CPE

221 CPE hours in 2018, 2017, and 2016 (166 in government accounting, Single Audits and Federal Compliance). Jesse met the *Government Auditing Standard* requirement for CPE.







## JAMES P. MARTA, CPA, CGMA, ARPM

### TECHNICAL REVIEW PARTNER

James has 30 years of experience in audits, consulting and accounting for Joint Powers Authorities, special districts, government agencies & non-profits. Prior to opening James Marta & Company, he spent one year with Moss Adams and 10 years with Gilbert Accountancy Corp. where he was a partner.

### TEACHING & INDUSTRY LEADERSHIP

James is a regular speaker at the CAJPA annual and Spring Technical Conference and risk financing, accounting, management and technical topics. He has worked with the GASB on standards related to risk pools and addresses industry technical issues. In addition, he is/was:

Member of Governor's team to improve the efficiency of the California Department of Motor Vehicles and the State Assembly  
Board Member Fiscal Oversight, Risk Financing – CSDA / CAJPA  
Accreditation Manager for CAJPA  
Single Audit Act – California State Auditors  
Self-Insurance Issues – CAJPA/CSDA  
Fraud Prevention and Detection - CASBO  
Management and Finance – Insurance Education Association  
Author of the IEA Pool Manager Course  
Taught the IEA ARM Risk Management and Risk Financing courses.

### PROFESSIONAL AFFILIATIONS

American Institute of Certified Public Accountants (AICPA)  
California Society of Certified Public Accountants (CSCPA)  
California Association of Joint Power Authorities (CAJPA)  
California Special Districts Association (CSDA)

### SELECT CLIENTS

California Pollution Control Financing  
Authority (Audits 2012-2015)

#### JPA's and Risk Cooperatives

#### Accounting/Finance/Consulting

Northern California Cities Self-Insurance Fund  
San Mateo County Schools Insurance Group  
Schools Excess Liability Fund  
Schools Insurance Authority  
Washington Schools Risk Management Pool  
Independent Cities Risk Management  
Authority  
Beverage Distributors of California  
Credit Union Self Insurance Group  
Credit Union Health Benefits of America  
Plastics Manufactures Self Insurance Program  
Preferred Auto Dealers Self Insurance  
Program  
Western Independent Banks Self Insurance  
Program  
State of Colorado Risk Management Dept.  
California Self Insurance Guarantee Assoc.  
North Dakota Workforce Safety & Insurance  
Alpha Fund  
Washington State Risk Manager

#### Audit

City County Insurance Services Trust  
Alaska Municipal Pool JIA  
California Joint Powers Insurance Authority  
North Bay Schools Insurance Authority  
Statewide Educational Wrap Up Program  
CSAC - Excess Insurance Authority  
Central Valley Schools JPA  
North Valley Schools Insurance Group  
Santa Cruz –San Benito SIG  
California Joint Powers Insurance Authority  
SIGNAL I  
SIGNAL II  
Bay Area Schools Insurance Cooperative  
Golden State Risk Management Authority  
Bay Area Housing Auth. Risk Management Gr.  
Schools Self Insurance of Contra Costa County  
Santa Cruz County Schools Health Insurance Gr.  
South Bay Area Schools Insurance Authority  
West San Gabriel Workers' Compensation JPA  
West San Gabriel Liability/Property JPA  
California Joint Powers Insurance Authority  
Contra Costa County School, Insurance  
Authority

### ROLE & RESPONSIBILITIES

- Audit delivery and services.
- Communication with executive management regarding planning, fieldwork, and reporting.
- Technical resource for questions and additional services.

### EDUCATION

- Portland State University, B.S., Accounting & B.S. Finance-Law
- Insurance Institute of America, Associate in Risk Pool Management

### CERTIFICATIONS

- CPA, CGMA, ARPM

### SPECIALIZATION

- Audits and specialized compliance reviews for government, non-profit, special districts and Joint Powers Authorities
- Implementation of accounting and internal control recommendations
- Federal and state compliance
- Risk pool financial management
- Troubled pool recovery plans
- Member agreement revisions
- Board training
- Special calculations





## MICHAEL MANDUCA

### SUPERVISOR

Michael has over 11 years of experience in auditing, consulting, and accounting for Joint Powers Authorities, special districts, local government agencies and nonprofits. His primary focus has been on audits – including single audits, full-cycle accounting for nonprofit insurance cooperatives, and attestation work for government agencies.

### TEACHING & INDUSTRY LEADERSHIP

Audit risk assessment (internal)  
Federal compliance testing (internal)

### SELECT CLIENTS

#### Special Districts

Auburn Area Recreation and Park District  
California Enterprise Development Authority  
California Mental Health Services Authority  
Mid-Peninsula Water District  
Northstar Community Services District  
Sacramento Municipal Utility District  
Sacramento Transportation Authority  
Southgate Recreation and Park District  
Truckee Tahoe Airport District

#### Joint Powers Agencies

Alaska Municipal League Joint Insurance Assoc.  
Bay Area Housing Authority Risk Mgmt Agency  
California Assoc for Park and Recreation Indemnity  
California Joint Powers Insurance Authority  
California Sanitation Risk Management Authority  
Central Valley Schools Risk Management Authority  
Contra Costa County Schools Insurance Group  
CSAC Excess Insurance Authority  
East Bay Schools Insurance Group  
Local and Regional Gov't Services Authorities  
Municipal Pooling Authority  
North Bay Schools Insurance Authority  
Public Entity Risk Management Authority

#### Nonprofit Organizations

California Special Districts Association  
CHARIS Youth Center  
Credit Union Self-Insured Group of California  
Crossroads Treatment Centers, Inc.  
Elk Grove Benefits Employee Retirement Trust  
Health Officers Association of California  
Lighthouse Youth Centers, Inc.  
Martins' Achievement Place  
Mental Health America of California  
NonProfits' United Workers' Compensation Group  
Preferred Automobile Dealers Self-Insurance Program  
Shelter, Inc.  
Sierra Sacramento Valley Medical Society  
Western Independent Bankers Association Self Insurance Program  
Women's Health Specialists  
Woodland Youth Services

#### Local Education Agencies

Acalanes Union High School District  
Benicia Unified School District  
Brentwood Unified School District  
Colusa County Office of Education  
Esparto Unified School District  
Maria Montessori Charter Academy  
Sacramento County Office of Education  
Vacaville Unified School District  
Washington Unified School District

### ROLE & RESPONSIBILITIES

- Supports the engagement manager during audit risk assessment, design of the audit, and planning.
- Performs audit fieldwork, testing of internal controls and compliance.
- Prepares financial statements according to GAAP.
- Executes audit activities and tasks, monitors progress, and ensures schedule compliance.
- Supervises staff accountants.
- Available for issues, questions and additional services.

### EDUCATION

- California State University, Sacramento, B.S. Business Administration, Concentration in Accounting

### SPECIALIZATION

- Audits and single audits
- Full-cycle accounting for nonprofit insurance cooperatives
- Attestation work for government agencies.

### CPE

153 CPE hours in 2018, 2017, and 2016 (106 in government accounting and audit). Michael met the Government Auditing Standard requirement for governmental CPE.



## DREW SAKAUYE, CPA

### SENIOR

Drew applies six years of experience to deliver auditing, consulting and accounting services to community colleges, school districts, special districts, municipalities, transportation authorities, nonprofits, publicly-traded companies, manufacturing, distribution and employee benefit plans.

He has served clients with multi-state locations, international operations, multiple subsidiaries and complex financial statements with revenues ranging from \$20 M to \$600 M.

Prior to joining James Marta & Company, Drew spent five years with Crowe, LLP where he led and managed auditing teams.

### ROLE & RESPONSIBILITIES

- Design and plan audit
- Supervise audit teams' progress/schedule. Review fieldwork and work papers, prepare financials, test complex areas.
- Communicate with executive team and Board.
- Available for questions.

### EDUCATION

- California State University, Sacramento, B.S. Business Administration, Accountancy

### CERTIFICATIONS

- Certified Public Accountant

### SPECIALIZATION

- Community Colleges, School Districts (LEAs), government, no-profits.
- GAAP conformance, GASB 35 conversion, FASB
- California Community College Chancellor's Office Contracted District Audit Manual
- Single Audits using Uniform Guidance (formerly OMB Circular A-133).

### CPE

238.5 CPE hours in 2018, 2017, and 2016 (111 in government Accounting, Single Audits and Federal Compliance). Drew met the *Government Auditing Standard* requirement for CPE.

### TEACHING & INDUSTRY LEADERSHIP

Drew provides internal training and instruction on subjects including alternative audit approaches and risk assessment, Federal compliance for student financial aid, state compliance for Community College districts.

### PROFESSIONAL AFFILIATIONS

- American Institute of Certified Public Accountants (AICPA)
- California Society of Certified Public Accountants (CSCPA)

### SELECT CLIENTS

#### Community Colleges

Contra Costa Community College District  
Feather River Community College District  
Hartnell Community College District  
San Joaquin Delta Community College  
San Mateo Community College District  
Sierra Joint Community College District  
State Center Community College District  
Yosemite Community College District

#### K-12 Local Education Agencies

Antioch Unified  
Auburn Union School District  
Central Unified  
Chicago Park School District  
Colfax Elementary School District  
Davis Joint Unified  
Dry Creek Joint Elementary  
Elverta Elementary School District  
Eureka Union School District  
Fairfield-Suisun Unified  
Folsom Cordova Unified  
Loomis Union  
Marysville Joint Unified School District  
Menlo Park City School District  
Placer Union HS District  
Riverbank Unified  
Sacramento City Unified  
Salida Union School District  
San Juan Unified School District  
Sutter Union High School District  
Union Hill Elementary School District  
Vacaville Unified  
Visalia Unified  
Washington Unified  
Woodland Joint Unified

#### Nonprofit Organizations

California Dental Association Foundation  
California Waterfowl Association  
College of Marin Foundation  
Feather River Com. College Foundation  
Hartnell Com. College District Foundation  
James Irvine Foundation  
Sacramento Region Com. Foundation  
San Joaquin Delta Community College Foundation  
The McConnell Foundation

#### Joint Powers Authorities

Yolo County Public Agency

#### Transportation

Alameda Contra Costa Transit Authority  
Reno-Tahoe Airport Authority  
Sacramento Regional Transit District  
Sacramento Transportation Authority

#### Municipalities

City of West Sacramento  
San Bernardino Associated Government



## JEFF GAMIR

### STAFF ACCOUNTANT

Jeff's primary focus is on performing audits. He has over two years of experience in auditing for local education agencies, joint powers authorities, special districts, and non-profit organizations.

Jeff compiles data; prepares and reviews financial statements; performs test of details and analytical reviews; audits all areas of section work; files government requirements; and performs Single Audits using the Uniform Guidance (formerly OMB Circular A-133).

He works closely with supervisors, seniors and managers to ensure the firm policies, procedures, and documentation meet professional standards.

Prior to joining James Marta & Company, he finished his undergraduate studies and took the CPA exam in the Philippines.

### ROLE & RESPONSIBILITIES

- Prepares financial statements in conformance with GAAP and GFOA requirements and codes.
- Performs audit procedures including controls testing, cutoff testing, and audits of accounts
- Conducts Audit administrative functions including drafting, preparing and reviewing reports.
- Available throughout the year for issues, questions, and additional services

### EDUCATION

- University of the East (Philippines), B.S. Accountancy

### CERTIFICATIONS

- CPA (Philippines)

### SPECIALIZATION

- Joint powers authorities, special districts, LEA, employee benefit plans, local government and non-profits.

### CPE

97 CPE hours in 2018 and 2017 (80 in government accounting and audit (Single Audits and Federal Compliance)).

### SELECT CLIENTS

#### Special Districts

Sacramento Metropolitan Air Quality Management District  
Sacramento LAFCO  
Sacramento Municipal Utility District  
Truckee-Donner Recreation and Park District  
Livermore Area Recreation and Park District  
Keyes Community Services District

#### Joint Powers Agencies

Schools Self Insurance of Contra Costa County  
Contra Costa and Solano Counties Special Districts Risk Management Authority  
California Housing Workers' Compensation Authority  
Schools Insurance Group, Northern Alliance II  
Municipal Pooling Authority  
North Valley Schools Insurance Group  
Central Region School Insurance Group  
Credit Union Schools Insurance Group  
Golden State Risk Management Authority  
West San Gabriel Workers' Compensation JPA  
West San Gabriel Liability and Property JPA

#### Nonprofit Organizations

Crossroads Treatment Centers, Inc.  
Yolo Hospice, Inc.  
Paradise Oaks Youth Services  
Better Life Children's Services

#### Local Education Agencies

Ackerman Elementary School District  
Brentwood Unified School District  
Colusa Unified School District  
Dixon Unified School District  
Gilroy Unified School District  
Kirkwood Elementary School District  
Maria Montessori Charter Academy  
Maxwell Unified School District  
Pierce Joint Unified School District  
Rocklin Academy  
Sacramento County Office of Education  
Thermalito Union Elementary School District  
Vacaville Unified School District  
Winters Joint Unified School District



## **APPENDIX B: PEER REVIEW**

The peer review letter is provided in the following pages.



www.CoughlanNapaCPACo.com  
Company@CoughlanNapaCPACo.com

## **Report on the Firm's System of Quality Control**

September 27, 2018

To James Marta & Company, 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 James Marta & Company, LLP (the firm) in effect for the year ended May 31, 2018. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

### **Firm's Responsibility**

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

### **Peer Reviewer's Responsibility**

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

### **Required Selections and Considerations**

Engagements selected for review included an engagement 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 James Marta & Company, LLP in effect for the year ended May 31, 2018, 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*. James Marta & Company, LLP has received a peer review rating of *pass*.

*Coughlan Napa CPA Company, Inc.*

Coughlan Napa CPA Company, Inc.

**PROPOSAL TO**  
**PROVIDE PROFESSIONAL AUDITING SERVICES**  
**FOR REDWOOD COAST ENERGY AUTHORITY FOR**  
**YEARS ENDING JUNE 30, 2018 - JUNE 30, 2020**



**REDWOOD COAST**  
**EnergyAuthority**

**JJACPA, Inc**  
*A Professional Services Corporation*  
1102 South Main Street, #1  
Fort Bragg, CA 95437  
(707) 964-6325

April 24, 2019

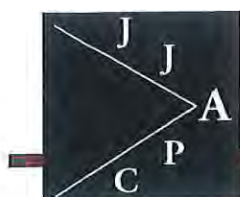
Contact: Joe Arch, President/CEO  
Email: [joe@jjacpa.com](mailto:joe@jjacpa.com)  
Cell: (650) 868-8504

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**JJACPA, Inc.**

A Professional Accounting Services Corp.

April 24, 2019

Lori Biondini, Director of Business Planning & Finance  
RCEA  
633 3<sup>rd</sup> Street,  
Eureka, CA 95501

Dear Ms. Biondini,

We are pleased to submit our proposal to conduct professional auditing services for the Redwood Coast Energy Authority (RCEA) for fiscal years ending June 30, 2018 through June 30, 2020. This proposal provides for an audit of the financial statements of RCEA including all applicable internal controls including those used in the administration of federal financial assistance programs, and the preparation of the financial statements and related disclosures. Additional reports will include any supporting schedules and a management letter report which will include our understanding of both the internal controls in place and assessment of control risk including a separate letter to management and to RCEA Board regarding all significant deficiencies or material weaknesses identified.

#### **Why our Firm?**

JJACPA differentiates itself from other CPA firms by having a unique blend of talented individuals. Each individual in the firm is a specialist in their field. RCEA's audit fieldwork, IT evaluation and report preparation will be performed by a CPA and CITP who has over 30 years of experience, some of which was with cities as a Finance Director and internal auditor of County departments and operations. He has also been a CAFR Reviewer for the GFOA for over 10 years, which has allowed his clients to receive awards for financial statement presentation. You will benefit with audit continuity and no phone calls from staff to management since the President will be on-site for a significant amount of the fieldwork.

The Engagement Manager assigned to the audit has eight years of increasing audit experience responsibility specific to governmental and not-for-profit organizations similar to RCEA. His experience with internal controls and non-profit operations will help evaluate and design audit procedures specific to RCEA. This hands-on approach goes beyond the standard "checklists" to ensure RCEA receives an effective and efficient audit with minimal disruption to operations. As Engagement Manager, he will be in the field for the entirety of the engagement to supervise staff and perform various audit functions.

JJACPA is a well-known, well-respected and trustworthy firm that prides itself in its professionalism and integrity. Our firm values its clients by providing personal attention to their unique issues and operations. Our firm logo is represented with a "greater than" sign indicating a higher quality, professional experience that does not just say it will address your needs but goes beyond the standard checklists and questionnaires of an audit and focuses on your needs by helping address concerns by applying sound judgment and practical, common sense solutions.

The firm currently audits the Mendocino Coast Recreation and Park City, City of Fort Bragg, City of Arcata, City of Atwater, City of Blue Lake, City of Ceres, City of Ferndale, City of Grass Valley, City of Lakeport, City of Clearlake, City of Rio Dell, and Town of Woodside. The firm's not-for-profit clients include the

Califa Group, Meeting Professionals International, Visit Mendocino, Noyo Marine Science Center, the West Company, Mendocino Coast Botanical Gardens and Mendocino County Hospitality Center.

This letter serves as our Proposal for Annual Financial Audit for RCEA for the fiscal years ending June 30, 2018 through June 30, 2020. We understand the audit services to be performed and commit to performing the audit services within the time period specified. Our President/CEO, Joseph J. Arch, is authorized and entitled to represent the firm, JJACPA, Inc. and empowered to sign the proposal and to submit the bid and if selected, authorized to sign a contract with RCEA.

We would be pleased to provide these services for RCEA. Please do not hesitate to contact us with any questions.

Sincerely,

A handwritten signature in blue ink, reading "J. Arch, CPA". The signature is stylized with a large, looped initial "J" and a clear "Arch" followed by "CPA".

Joseph J. Arch, CPA  
President/CEO  
JJACPA, Inc.

## B. PROFESSIONAL EXPERIENCE

JJACPA, Inc. is a medium sized accounting firm located in the San Francisco Bay Area and North Coast of California. Our offices are in Dublin and Fort Bragg, all services provided to RCEA will be conducted through the Fort Bragg office. JJACPA is a professional services corporation formed in 2003. As a growing firm, we have 7 full time individuals, and two contract part-time service professionals. We provide a wide range of accounting services but specialize in audits of governmental and non-profit organizations. Our President/CEO has over 30 years of accounting and auditing experience as Finance Director, Internal Auditor and external auditor. All staff assigned to RCEA's engagement have a minimum of three years of non-profit auditing experience.

Our President/CEO, Joseph J Arch, CPA, is one of the most respected auditors and consultants in California. All his experience has included servicing governmental and not-for-profit organizations for over 30 years. He also serves as a reviewer for the Government Finance Officers' Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting program. We have the resources to properly staff the audit of RCEA's financial statements to ensure effective and efficient service. Staff assigned to the engagement will assist in fieldwork and report preparation and are instructed, supervised, and managed by the President/CEO who is on-site for a significant amount of the fieldwork and will be the centralized, single point of contact for the entire agreement period.

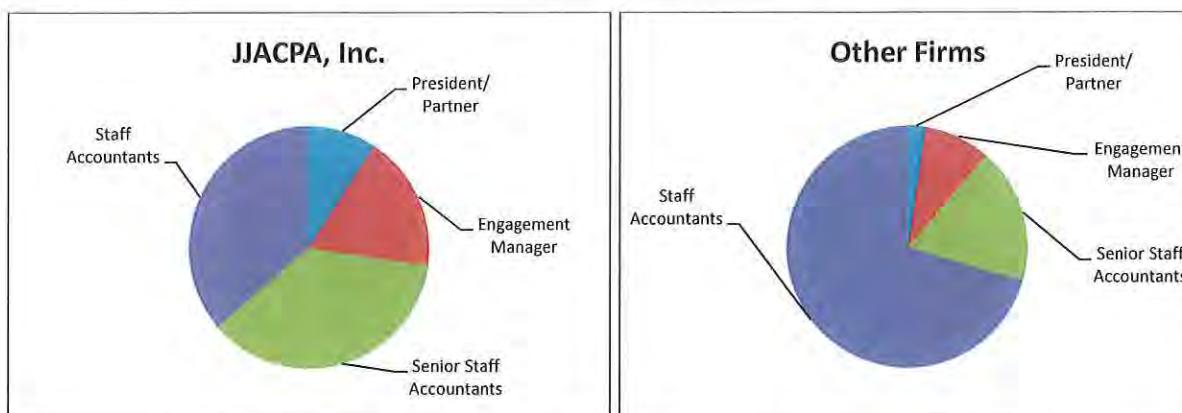
RCEA will be an important client to us. You will not be subjected to a revolving door of trainees assigned to service your account. Quite to the contrary, RCEA will receive the highest quality of services by an experienced team of professionals, with minimal changes to the engagement team over the course of the engagement. In effect, with a professional services corporation, RCEA will receive the personal attention and expertise many non-profit audit firms simply cannot provide. You will not be subjected to the "layered approach" of auditing, where firms send inexperienced staff that disrupts client operations with individual questions that are later asked again by another "level" of staff. Because of our experience in auditing and consulting with non-profit organizations, the President/CEO asks more pointed questions (and typically fewer) and applies the answers to all areas of the audit. Staff is supervised on-site by the President or Engagement Manager and questions are gathered at one time and asked during interviews or meetings established ahead of time, thus minimizing the impact on client operations.

We are proud of the responsive service we provide to our clientele and we are confident that RCEA's financial statements can be completed in accordance with your requirements. We encourage you to contact our client references to ascertain the timeliness with which we complete our audit procedures and issue our client's financial statements. We work closely with our clients by "rolling up our sleeves" and becoming a proactive member of their team. As a client, you will benefit from our concern, dedication, timeliness, and consistency. We describe our practice as responsive, creative, practical, and energetic.

We are truly "service professionals" who are actively involved in the services provided to our clients. The number of hours that the President and Engagement Manager historically spends with our non-profit clients is far in excess of the hours spent by an average of firms nationwide. They will be on-site at RCEA assisting with audit fieldwork to ensure the efficient completion of the engagement. You will see them frequently as they establish a truly interactive relationship in which issues are discussed throughout the entire year.



## B. PROFESSIONAL EXPERIENCE



### Peer Review Program

Our firm is a member of the American Institute of Certified Public Accountants Private Companies Practice Section and the Governmental Audit Quality Control Center, for which membership requires us to adhere to rigorous quality control standards in our accounting and auditing practice and to submit to a review of our practice by our peers. We have been reviewed and have always received pass ratings (the most favorable report) on the quality of our practice in 2017 for engagements performed in 2016. In this review period, specific governmental and non-profit engagements were reviewed as required by Government Audit Standards (1994). A copy of our most recent peer review report is included in Appendix A.

There have been no federal or state desk reviews or field reviews of any audits performed by JJACPA, Inc. or its predecessors in the last fifteen (15) years. In addition, there have been no investigations or disciplinary action taken, nor are any pending, against the firm during the past fifteen (15) years with any regulatory bodies or professional organizations.

### License to Practice in California

JJACPA, Inc. and all key assigned professional staff are licensed to practice as certified public accountants in the State of California.

### Independence

JJACPA, Inc. and all related personnel are independent of RCEA, as defined by auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*. For the past five years, our firm has had no professional relationship with RCEA, which would constitute a conflict of interest as identified in fact or appearance from any personal or professional relationship relative to performing the proposed services. JJACPA, Inc. also acknowledges and will give RCEA written notice of any professional relationships entered into during this period of agreement.

### C. TEAM QUALIFICATIONS

The audit team will consist of Joseph Arch, CPA President; Brett Jones, CPA, Engagement Manager; Fortune Andzouana, M. Acc, Staff Accountant; Jun Lee, Staff Accountant and Jay Clark, CPA, Technical Reviewer.

The following is intended to provide you with a partial list of some of the relevant experience of JJACPA personnel in servicing various governmental agencies. This list includes a combination of clients currently serviced by JJACPA and clients serviced by them during prior employment.

#### **President - Joseph J. Arch, CPA, CITP, CGFM, CGMA – Single Point of Contact**

Joe graduated from the California State University - Hayward in 1983 with a Bachelor of Science degree in Accounting. He has also earned a Master's in Business Administration in Computer Information Technology from the College of Notre Dame in 1992, and a Master's in Public Administration from California State University Hayward in 1997. Joe has been a CPA since 1990 and has extensive experience in both government finance and information technology. Joe served as Assistant Finance Director for the City of San Leandro from 1995 through 1997 and as the Financial Product Manager as a member of Eden Systems from 1997 through 2000. In 2003, Joe received the designation of Certified Information Technology Professional from the AICPA. His combination of public accounting, non-profit accounting, city government, and information technology experience provides Joe with unmatched qualifications in servicing the audit and computer needs of his clientele.

Joe includes among his relevant experience servicing the auditing, accounting, and computer needs of the following current clients:

- Califa Group
- Winters Healthcare Foundation
- Meeting Professionals International
- Mendocino Coast Recreation and Park City
- Mendocino Coast Botanical Gardens
- City of Lakeport
- Mendocino Coast Tourism Commission
- City of South San Francisco
- Town of Woodside
- Humboldt County City Attorney's Office
- City of Fort Bragg
- City of Ceres
- City of Lakeport
- City of Dublin
- City of Atwater
- Mendocino Coast Hospitality Center
- Tuolumne County Hospital
- City of Arcata
- Pacific Library Partnership
- Cal State East Bay Education Foundation

Joe is a member of the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants, as well as, a frequent session leader in various governmental accounting subjects and is a member of the GFOA CAFR Review Committee and the Association of Government Accountants.

Joe will perform all audit fieldwork as well as prepare any schedules or suggestions for the financial statements, reports, and necessary disclosures for your review and approval. He will also document, analyze, and test RCEA's EDP structure and perform procedures to determine the relative level of risk involved in RCEA's use of electronic data processing and related technologies. He will also present recommended strategies and methods to increase security levels.

## C. TEAM QUALIFICATIONS, CONTINUED

### Technical Reviewer – Jay S. Clark, CPA

Jay is a graduate of Fresno State University and has over 20 years of experience auditing and reviewing governmental financial statements. He is a GFOA CAFR Review Committee member and has been involved in helping many cities receive the Award for Excellence in Financial Reporting from the GFOA. As a contract employee, he will review all of RCEA's reports from a technical standpoint and provide additional workpaper review support throughout the course of the audit as part of the firm's quality control process performed in our offices. Jay has been a member of JJACPA since incorporation in 2003. His relevant experience with current and previous clients with other firms includes:

- City of Rocklin
- Califa Group
- Metropolitan Transportation Commission
- City of Oakland
- City of Santa Cruz
- San Mateo County Library JPA
- Oakland Museum
- Oakland Zoo
- Cal State East Bay Auxiliaries
- Tuolumne County Hospital
- City of Vacaville

### Engagement Manager – Brett A. Jones, CPA

Brett graduated cum laude in June 2009 from California State University, East Bay Hayward with a Bachelor of Science Degree in Business Administration with an Accounting option. Brett has extensively performed auditing procedures from engagement planning to preparation of Comprehensive Annual Financial Reports for his client assignments. As a member of JJACPA for the past eight years, Brett has contributed to every aspect of his governmental assignments with enthusiasm and a fresh perspective. He also leads the Firm's quality control program and has extensive Single Audit experience.

Brett will perform audit field work and assist Joe in the preparation of RCEA's schedules and financial statements. He will coordinate and conduct tests of RCEA's controls over financial reporting and validation of account balances along with the assistance of staff accountants. He will be in the field for the entirety of the audit and serve as the first level of review of audit work performed by staff. He will also conduct the Single Audit for RCEA, if necessary. Brett currently provides services to the following clients:

- Peninsula Library System
- Califa Group
- Northnet Library System
- City of Ceres
- City of Lakeport
- City of Rocklin
- North Coast County Water City
- Mendocino Coast Botanical Gardens
- City of Grass Valley
- Pacific Library Partnership
- City of Fort Bragg
- San Mateo County Harbor City
- Fair Oaks Water City
- Coastsides County Water City
- City of Waterford
- Town of Woodside
- City of Atwater
- City of Sonoma

Brett is a member of the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants.

### Accountant- Fortune Andzouana

Fortune graduated from the State Commercial University of Donetsk (Ukraine) in 1995 with a master's degree in accounting. He also earned his second master's degree from Golden Gate University (GGU), San Francisco in 2014 with an emphasis in Accounting. Fortune was a Staff Accountant at KongBasileConsulting, LLP in San Francisco.

### **C. TEAM QUALIFICATIONS, CONTINUED**

Fortune contributes his team attitude effectively to every aspect of his governmental assignments. He is currently pursuing his CPA license and will sit for the CPA exams within the next few months. Fortune currently provides services to the following clients:

- City of Arcata
- City of Waterford
- City of Lakeport
- City of Sonoma
- Califa Group
- Peninsula Library System
- City of Fort Bragg
- Mendocino Coast Recreation and Park City
- City of Rio Dell
- City of Grass Valley
- City of Ceres
- Town of Woodside
- City of Atwater
- TRAFFIX
- Coastside County Water City
- Cordova Recreation and Park City
- City of Atwater

#### **Accountant- Jun Lee**

Jun graduated in May 2016 from University of California, Berkeley with a Bachelor of Arts Degree in Political Economy with an emphasis in Accounting. Jun brings financial acumen, knowledge of business operations, both domestically and abroad, and an ability to learn quickly and apply his knowledge to all of his assignments. He is currently pursuing his CPA license and will sit for the CPA exams within the next few months. Jun currently provides services to the following clients:

- City of Atwater
- Mendocino Coast Botanical Gardens
- Meeting Professionals International Northern California Chapter
- City of Sonoma
- Sanville Institute
- City of Grass Valley
- City of Ferndale
- City of Rio Dell
- City of Arcata
- City of Fort Bragg
- Moraga Orinda Fire Protection City
- San Mateo County Library JPA
- Bay Area Capital Funding, Inc.
- City of Ceres
- Pacific Library Partnership
- City of Atwater



### C. TEAM QUALIFICATIONS, CONTINUED

#### Relevant Continuing Education Courses by Personnel

<u>Personnel</u>	<u>Courses Completed</u>	<u>Date</u>	<u>Hours</u>
Joe Arch, President	Pension Funding: Risky Business	3/16	1
	Lessons Learned from GASB 68 Implementation and Planning for Next Year	3/16	1.25
	Federal Award Management - Aligning Grant Accounting Best Practices with Increased Federal OMB Uniform Guidance Restrictions	3/16	1.25
	GASB Update - Behind Blue Covers	3/16	1.25
	The OPEB Standards - An Accounting, Actuarial and Auditing Perspective	3/16	1.25
	Why Should We Do the Internal Control Guidelines Issued by the State Controller's Office?	3/16	1.25
	Computer Assisted Audit Techniques	4/16	2
	2016 Government Audit Quality Center Annual Update	4/16	2
	Government Accounting and Audit Conference	5/16	8
	Staying Current with Nonprofit Accounting and Auditing	8/16	8
	Presenting Financial Data to Nonfinancial Audiences	9/16	2
	Audit Standards Update: Clarifying Risk Assessment	1/17	8
	Audits of State and Local Governments: What You Need to Know	3/17	8
	Power Query- Clean and Transform Your Client's Data	7/17	2
	Single Audits: New Insights on Factors Driving Quality	9/17	2
	2017 OMB Compliance Supplement and Single Audit Update	9/17	2
	How to Fight Back Against Hackers	9/17	2
	New NFP Financial Reporting Standard: Top 5 Things Your Board Should Know!	9/17	2
	Procurement Under the Uniform Guidance: The Time is Now!	11/17	2
	GASB No. 74 & 75: Best Practices in OPEB Accounting & Auditing	12/17	4
	Uniform Guidance Year 3: A Deeper Dive Into Challenging Audit Areas	1/18	2
	The Challenges of Loans and Loan Guarantees in a Single Audit	3/18	2
	12 Ways to Provide Better Service to Clients	4/18	1
	2018 GAQC Annual Update Webcast	5/18	2
	Centralized Partnership IRS Audit Rules	6/18	2
	Protecting Your IT Network During a Disaster	7/18	1
	TCJA: C Corp or Pass-Through? Fruit Basket Upset or Not?	9/18	3
	Tax Practice Quarterly: Annual Tax Ethics Update	10/18	2
	Smart Sampling in a Single Audit	10/18	2
			<u>78.25</u>



## C. TEAM QUALIFICATIONS, CONTINUED

<u>Personnel</u>	<u>Courses Completed</u>	<u>Date</u>	<u>Hours</u>
Brett Jones, Engagement Manager	Compilation and Review Engagements: Prepare for Big Changes under SSARS 21	1/15	2
	Audit Quality Discussion Part I: Avoiding Common Audit Deficiencies	1/15	2
	JJACPA Auditing Standards Update	1/15	8
	Government Accounting and Auditing Conference Webcast	5/15	8
	Ethics for Accountants	9/15	4
	Regulatory Review for California CPA's	9/15	2
	Applying the Uniform Guidance for Federal Awards in Your Single Audits	9/15	8
	California Fraud Case Studies	10/15	8
	Audit Standards Update: Clarified Risk Assessment Standards	10/15	8
	2016 Government Audit Quality Center Annual Update	4/16	2
	Government Accounting and Audit Conference	5/16	8
	Financial Statement, Tax and Government Fraud	10/16	4
	Internal Controls and Risk Assessment: Key Factors in a Successful Audit	10/16	8
	Audit Standards Update: Clarifying Risk Assessment	1/17	8
	2017 GAQC Annual Update Webcast	5/17	2
	Applying the Uniform Guidance for Federal Awards in Your Single Audit	4/17	10.5
	Not-for-Profit Organizations: Accounting and Auditing Principles and	8/17	8
	Individual Tax Planning Topics Webcast	9/17	8
	Internal Control and COSO Essentials for Financial Managers, Accountants and	9/17	8
	Governmental Accounting and Auditing Conference	5/18	9
	2018 State and Local Government Audit Planning Considerations	5/18	2
	Government OPEB Accounting and Financial Reporting Webcast	6/18	4
	Yellow Book Update Webinar	8/18	3
	What Every CPA Should Know About Fraud Webcast	8/18	4
	3 Hour Yellow Book Update Webinar	8/18	3
			<u>141.5</u>

## **C. TEAM QUALIFICATIONS, CONTINUED**

### **Continuity of Staff**

RCEA will be an important client to JJACPA and we will make every attempt to ensure the continuity of our entire staff for the duration of the contract. RCEA will receive the highest quality of services by an experienced team of professionals, with minimal changes to the engagement team over the course of the relationship. If changes should occur, RCEA will be notified immediately and asked to accept any replacement team members. At all times, the President will remain on your audit for as long as RCEA continues to be a client of the firm.

JJACPA warrants that we do not delegate or subcontract our responsibilities under agreement to anyone not working for JJACPA, Inc. RCEA reserves the right to request a replacement of any member of the firm's auditing team prior to, and during the course of the audit if circumstances warrant it and similarly, RCEA will be notified and consulted in advance of any changes made by the auditing firm concerning the makeup of the auditing team.

## **D. AUDIT APPROACH**

This section describes JJACPA's specific engagement approach and the techniques we employ in servicing organizations such as RCEA. We will tailor the approach outlined in this section to incorporate the unique tasks, methods, and procedures used to audit in accordance with generally accepted auditing standards and analyze the financial position of RCEA, the objective of which is to express an opinion on the financial statements.

As a result of our extensive experience, we have developed a highly effective and efficient approach toward analyzing transactions during an audit. We will make inquiries, observations, and analyses of RCEA's significant systems and internal controls that produce financial statements. We will then focus our efforts primarily on efficient and cost-effective audit techniques that are truly tailored to you and present the greatest risk of material misstatement.

Our engagement approach can ordinarily be summarized into three phases: orientation, planning, and fieldwork procedures. A description of each of these phases follows with a proposed timetable for the audit of RCEA's financial statements.

Our audit approach is designed to avoid disruption of the functioning of RCEA offices. We provide experienced personnel and plan to be on-site at all times to ensure the timely and effective completion of the audit of RCEA's financial statements and all other reports to be issued.

### **Orientation**

To provide RCEA with the quality of professional services it deserves, it is imperative that we thoroughly understand your organization. Our previous experience with governmental organizations provides us with a sound foundation from which to plan our audit procedures. However, we must acquaint ourselves with specific aspects of RCEA's operations to ensure that our procedures are both comprehensive and efficient. Through an orientation/planning meeting scheduled with appropriate members of the accounting staff, this understanding of your operational processes would be obtained prior to the commencement of fieldwork. In other words, this is how we get the "lay of the land" on how RCEA does business and would like to have our audit team conduct the audit. This evaluation may later be incorporated in the interim fieldwork procedures using walkthroughs of key financial accounting systems. These walkthroughs are completed by the President or Engagement Manager with the assistance of staff. A list of areas will be provided in advance to RCEA contact to make appointments during the interim fieldwork.

We utilize CCH Prosystem fx Engagement to provide efficiencies to our audit procedures. Samples are selected using ActiveData, an integrated audit tool that allows us to take our client's electronic information and analyze and test it. We are adept at utilizing computers in conjunction with our breadth of knowledge of governmental software enterprise wide systems which enables us to use it to our full advantage to add value to our auditing processes and procedures and provide our clients with identifiable and practical results and recommendations.

The planning phase of the engagement will lay the foundation for the direction of our audit and is the key to cost-effective completion. Our planning will focus on generating a more detailed understanding of RCEA's operations, identifying significant issues, and designing efficient audit procedures. Specifically, we will:

## D. AUDIT APPROACH, CONTINUED

- I. *Obtain an understanding of the legal and fiscal environment by reviewing:*
  - a. Existing cash flow projections and operating and capital improvement budgets.
  - b. Debt and lease agreements.
  - c. Key statistics and trends.
  - d. Economic environment, especially locally.
  - e. Current operations (internally produced financial statements).
  - f. Prior year audit reports.
  - g. Additional documentation and reports available from RCEA.
- II. *Meet with RCEA Finance Department to discuss:*
  - a. Coordination of procedures and timing.
  - b. Initial observations or areas of emphasis and risk evaluation.
  - c. Reporting requirements.
  - d. Implications of new accounting pronouncements, if any.
  - e. Implementation or effects of State or Federal actions on RCEA operations.
- III. *Perform analytical reviews of financial data to identify other areas that might require significant attention due to the risk involved.* Comparisons to budgeted amounts and interrelationships between accounts will be analyzed and discussed with the Finance Department.
- IV. *Based on our understanding of RCEA's operating environment, the analytical reviews, and the other planning procedures, we will highlight areas to be emphasized during our audit. We will then define the engagement objectives, concentrating on the identified areas of concern and areas we know are important to management.* This will generate a schedule request that includes schedules and confirmations for the current year under audit.

### Fieldwork Procedures

The final phase of the engagement includes completion of all audit procedures to be performed. We will divide our efforts into two (2) distinct segments: interim audit procedures and final audit procedures.

#### a. Interim Audit Procedures:

Interim audit procedures lay RCEA for an efficient and effective audit. We will strive to perform a significant portion of our procedures at interim to allow a more efficient completion of the audit at year-end. Specifically, at interim, we will document RCEA's internal control systems. We will review RCEA's minutes, debt agreements, significant transactions, and send out confirmations as requested and discussed. We will also perform some detailed testing of internal controls. At the end of interim fieldwork, sample report formats, compliance items remaining to be tested, and any other open items will be discussed with the Finance Department in an exit conference meeting. This will also allow for discussions of any preliminary observations and findings.

#### b. Final Audit Procedures:

During our final fieldwork procedures, we will complete our test work of RCEA's financial statement balances. Significant asset and liability accounts will be verified and tested through a combination of detailed vouching procedures and analytical techniques. We will perform analyses of various revenue and expense accounts through comparisons to budgets, ratios, and prior year amounts. Significant variances noted will be investigated further. We will also complete our evaluation of internal control and compliance objectives.

## **D. AUDIT APPROACH, CONTINUED**

### **Sampling Techniques Employed**

We do not contemplate utilizing statistical sampling in our audit of RCEA's financial statements. Most samples will be selected based upon our judgment, utilizing our experience and knowledge of financial trends and patterns. Typically, sample sizes do not exceed 40 items, but we may increase or reduce the number of items based upon what we are testing. We analyze allocations of funds to the various recipients and the related reimbursements for Single Audit, test controls for payroll, accounts payable, cash receipts and other systems utilizing these sample sizes. If it is subsequently determined that statistical sampling can enhance the efficiency of our audit procedures, we will revise our preliminary plan to incorporate use of these techniques. We are very experienced in the use of various statistical sampling techniques (i.e., monetary unit sampling), and will utilize them when appropriate.

### **Draft Reports**

Commencing during the interim phase and continuing throughout final audit procedures, we will be discussing the preparation of the financial statements, our auditor's report, management letters (detailing our observations and recommendations concerning internal accounting control and other matters). Both the financial statements and the management letter will be reviewed in detail with you and your staff to address management comments, predecessor recommendations and any current year recommendations to facilitate a more efficient and smooth preparation process.

Since only reportable matters will be reported in the management letter, other observations and suggestions for operating improvements and best practices will be communicated to you in our exit conferences. In addition, any recipient compliance reports will be formatted and reviewed with RCEA Finance Department personnel as well as appointments made to schedule the fieldwork with the project and grant managers. At all times, RCEA personnel will be given status updates of our efforts and schedules to meet reporting deadlines.

### **Management Letters**

Letters to the Finance Department and RCEA Board on internal controls and recommendations ("Management Letters") are one of our principal means of communicating with our clients relative to the results of our annual audits and reviews. The overriding goal of our letters is to assist management in reaching its internal control objectives and to provide compliance with audit standards and regulations. Comments will be limited to only reportable conditions and findings. The Management Letter will be reviewed in detail with you and your staff to verify its factual accuracy before being issued in final form.

## D. AUDIT APPROACH, CONTINUED

### Audit Schedule for Fiscal Year ending June 30, 2018

Date	Work to be performed	Hours, est.	Team
May-19	Prepare client acceptance	2	Joe Arch, President
May-19	Entrance conference with management to discuss audit plan	4	Audit Team
Jun-19	Year-end detailed audit plan and schedule request to be provided to RCEA	4	Joe Arch, President Audit Team
Jul-19	Receipt of adjusted trial balance and supporting schedules from RCEA finance; begin audit work	120	Joe Arch, President Audit Team
Aug-19	Progress conference & complete fieldwork	125	Audit Team
Oct-19	Exit conference with Finance to provide findings & recommendations	4	Joe Arch, President
Nov-19	Delivery of drafts of required reports and Management Letter	3	Joe Arch, President
Nov-19	Presentation of financial statements, management letter and signed audit report to Management and Board of Directors	4	Joe Arch, President

## E. FEES

We are committed to providing our clients with excellent service at a reasonable fee. As a personal services corporation, we do not have a national or local firm cost structure, which allows us to charge more economical rates for our services. We are large enough to properly staff our engagements and the Engagement Manager remains on-site providing personal attention to all of his client assignments. Many of our clients are served for periods exceeding five and ten years. This longevity assists in developing the satisfaction our clientele has with our services. The cost detail for the services as described in the RFP are found below.

<b>Required Services</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>
City Audit and Related Reports (CAFR)	\$ 23,000	\$ 23,000	\$ 23,000
State Controller's Report	2,500	2,500	2,500
Single Audit Report (if needed)	7,500	7,500	7,500
Memorandum on Internal Control/Management Letter	-	-	-
Other Items	-	-	-
<b>Total Not to Exceed Cost</b>	<b>\$ 33,000</b>	<b>\$ 33,000</b>	<b>\$ 33,000</b>

<b>Position</b>	<b>Hours</b>	<b>Standard Hourly Rates</b>	<b>Quoted Hourly Rates</b>	<b>Total</b>
Technical Reviewer	10	\$250	\$175	\$1,750
President/Engagement Manager	100	200	150	15,000
Senior Staff	139	150	100	13,900
Clerical	4	100	75	300
Other (IT Specialist)	4	250	175	700
Other (Tax)	9	150	150	1,350
Other Services		200	150	0
<b>Total All-Inclusive Maximum Price</b>	<b>266</b>			<b>\$33,000</b>



## F. CLIENT REFERENCES

We have provided the following five relevant client references for engagements similar to RCEA.

<u>Engagement</u>	<u>Time</u>	<u>Scope</u>	<u>Hours</u>
<p>City of Fort Bragg 416 N. Franklin Street Fort Bragg, CA 95437 Contact: Victor Damiani, Finance Director Phone: (707) 961-2825 x211 Email: vdamiani@fortbragg.com</p>	2015 - present	Financial Statement Audit for City & Uniform Guidance Audit - CAFR Review	410
<p>City of Ceres 2220 Magnolia Street Ceres, CA 95307 Contact: Suzanne Dean, Finance Director Phone: (209) 538-5764 Email: suzanne.dean@ci.ceres.ca.us</p>	2013 - present	Financial Statement Audit for City & Uniform Guidance Audit (CAFR Ready)	364
<p>Town of Woodside 2955 Woodside Road Woodside, CA 94062 Contact: Cindy Safe, Administrative Services Manager Phone: (650) 851-6790 Email: csafe@woodsidetown.org</p>	2012 - present	Financial Statement Audits (CAFR Ready) & Financial Accounting System Conversion	114
<p>City of Grass Valley 125 East Main St. Grass Valley, CA 95945-6505 Contact: Maryanne G. Hoffer Phone: (530)274-4302 Email: maryanneh@cityofgrassvalley.com</p>	2013 - present	Financial Statement Audit for City & Uniform Guidance Audit (CAFR Ready)	306
<p>City of Lakeport 225 Park Street Lakeport, CA 95453 Contact: Nicholas Walker Phone: (707) 263-5615 ext. 301 Email: nwalker@cityoflakeport.com</p>	2012 - present	Financial Statement Audit for City, Uniform Guidance Audit & CAFR Preparation	236



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**Appendix A**

**Peer Review Report**

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9605 S. Kingston Ct. Suite 200  
Englewood, CO 80112  
303-721-6131  
[www.richeymay.com](http://www.richeymay.com)  
Assurance | Tax | Advisory

## System Review Report

To JJACPA, Inc.  
and the Peer Review Committee of the California Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing JJACPA, Inc. (the firm) in effect for the year ended September 30, 2016. 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. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. 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. 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. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary).

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*.

In our opinion, the system of quality control for the accounting and auditing practice of JJACPA, Inc. in effect for the year ended September 30, 2016, 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*. JJACPA, Inc. received a peer review rating of *pass*.

A handwritten signature in black ink that reads 'Richey May, C.P.A.'.

Englewood, Colorado  
January 10, 2017

June 07, 2017

Joseph Arch  
JJACPA, Inc.  
7080 Donlon Way Ste 204  
Dublin, CA 94568 2789

Dear Joseph Arch:

It is my pleasure to notify you that on May 26, 2017, the California Peer Review Committee accepted the report on the most recent System peer review of your firm. The due date for your next review is March 31, 2020. This is the date by which all review documents should be completed and submitted to the administering entity. If your due date falls between January and April, you can arrange to have your review a few months earlier to avoid having a review during tax season.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation and support of the profession's practice-monitoring programs.

Sincerely,



Linda McCrone  
Director, Peer Review Program  
peerreview@calcpa.org 650-522-3095  
California Society of CPAs

CC: Keith May

Firm Number: 900010155457

Review Number: 504148

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# REDWOOD COAST Energy Authority

## STAFF REPORT Agenda Item # 4 - C

AGENDA DATE:	May 8, 2019
TO:	Board of Directors, Finance Subcommittee
PREPARED BY:	Lori Biondini, Director of Business Planning and Finance Matthew Marshall, Executive Director
SUBJECT:	Fiscal Year 2019-2020 Budget

### SUMMARY

Staff has begun drafting a budget for the new fiscal year beginning July 1, 2019, and will present it at this meeting. Proposed/potential changes of note:

#### Programs:

- The PG&E Energy Watch program is scaling back due to programmatic changes at PG&E. Our current contract only continues through the current calendar year.
- To replace discontinued services previously funded through our Energy Watch contract, the RCEA Board of Directors has authorized staff to pursue becoming a Program Administrator under the California Public Utilities Commission. The preliminary budget will include an estimate of funding that will be available to RCEA to administer local energy efficiency programs on behalf of our customers.
- Pending a recommendation from the RCEA Offshore Wind Board Subcommittee to the full Board at the May meeting and the Board's final decision, the draft budget includes maintaining RCEA's cost-sharing with the Redwood Offshore Wind Project consortium: staff has estimated anticipated costs for RCEA's continuing participation for the coming year.
- The Airport Microgrid project is continuing to ramp up toward construction in 2020 and the budget will reflect the planned expenditures and associated grant and loan income scheduled for the coming year.

#### Admin/Operations:

- The state of utilities and CCAs in California is dynamic; aligning RCEAs business operations with this changing environment while fully developing as a CCA has warranted ongoing investment in administrative and operational capacity, including membership dues, regulatory and legal fees, travel and meetings, education and training, and information technology equipment and support (a secure file transfer server and cyber-security insurance, for example). The proposed budget would continue to invest in the areas of employee training, updated facilities and IT equipment, and memberships/fees that help us access specialized support.
- Per RCEA policy, staff completed a salary survey this year which identified some disparities between RCEA compensation and comparable organizations. The proposed budget would allow for updates to RCEA's salary schedule and retirement program based on the results of

the salary schedule to better align RCEA's compensation with comparable organizations to better retain and recruit qualified employees.

**RECOMMENDED ACTION**

N/A – information only.

**ATTACHMENTS**

1. Fiscal year 2018-19 budget

## Redwood Coast Energy Authority FY18-19 Budget

	Total 2018-19 Budget
Ordinary Income/Expense	
<b>REVENUE EARNED</b>	
Total Revenue - government agencies	111,600
Total Revenue - program related sales	18,000
Total Revenue-nongovernment agencies	1,210,000
<b>Electricity Sales Revenue</b>	
Electricity Sales - Retail Revenue	51,940,000
Electricity Sales - Uncollectable Accounts	(160,000)
Total Electricity Sales Revenue	51,780,000
<b>Total REVENUE EARNED</b>	53,119,600
<b>Gross Revenue</b>	53,119,600
<b>Expense</b>	
<b>TOTAL WHOLESALE POWER SUPPLY</b>	39,880,000
<b>7 EXPENSES - PERSONNEL</b>	
7101 · Screening/Testing Services	600
7102 · Safety	1,000
7103 · Staff Training and Development	21,000
<b>PERSONNEL EXPENSES</b>	2,253,700
<b>FACILITIES AND OPERATIONS</b>	211,400
<b>COMMUNICATIONS AND OUTREACH</b>	108,200
<b>TRAVEL AND MEETINGS</b>	48,000
<b>PROFESSIONAL AND PROGRAM SERVICES</b>	
Internal inter-program funding	-
Contracts - Program Related Services	362,200
Wholesale Services - TEA	585,000
Procurement Credit - TEA	800,000
Data Management - Calpine	1,100,000
Regulatory	94,600
Accounting	55,000
Legal	150,000
<b>PROFESSIONAL AND PROGRAM SERVICES</b>	3,146,800
<b>PROGRAM EXPENSES</b>	1,268,000
<b>INCENTIVES AND REBATES</b>	460,000
<b>NON OPERATING COSTS</b>	565,800
<b>Total Expense</b>	47,941,900
<b>RESERVE REQUIREMENT CONTRIBUTIONS</b>	3,000,000
<b>Net Income</b>	2,177,700



## Materials received at Finance Subcommittee meeting

**UPDATE: Salary Survey of Benchmark Classifications at RCEA's Labor Market Agencies**

Originally presented to RCEA Board 12/12/16, updated 3/20/19

Figures represent base pay only, while RCEA offers comparable insurance benefits to other local public agencies, it should be noted that some of these Labor Market Agencies participate in CalPERS which provides a significantly greater value than RCEA's basic 3% retirement plan matching contribution to deferred compensation plan

Mar-19

Title	Organization	Dec 2016 Midpoint of range or single point	Midpoint of range or single point	% Increase from previous
<b>Assistant/Associate/Coordinator</b>				
Student/Grad Student Assistant <sup>1</sup>	HSU Schatz Energy Research Center	\$38,628.80	\$31,106.40	-15.1%
Administrative Assistant	City of Eureka	\$33,201.00	\$34,907.50	5.1%
Administrative Support	North Coast Air Quality Management District	\$30,341.50	\$31,567.38	4.0%
Clerk I	Trinity County PUD	\$37,876.50	\$42,993.60	13.5%
Customer Services Representative I/II	City of Ukiah Electric Utility	\$38,158.44	\$41,993.82	10.1%
Administrative Secretary	County of Humboldt	\$37,719.42	\$39,062.40	3.6%
<b>AVERAGE</b>		<b>\$35,654.28</b>	<b>\$36,938.52</b>	<b>3.6%</b>
<b>Current RCEA Midpoint (step 5)</b>		<b>\$35,000.00</b>	<b>\$37,450.00</b>	<b>7.0%</b>

<b>Specialist/Senior Specialist</b>				
<b>Admin</b>				
Customer Service & Accounting/HR Assistant	Humboldt Bay Municipal Water District	\$48,124.00	\$51,822.00	7.7%
Executive Assistant & Board Secretary	Humboldt Bay Municipal Water District	\$50,528.00	\$54,408.00	7.7%
Assistant To The APCO & Clerk Of The Board	North Coast Air Quality Management District	\$61,008.00	\$63,473.06	4.0%
IT Technician I/II	County of Humboldt	\$55,791.48	\$57,782.40	3.6%
Clerk II	Trinity County PUD	\$54,538.00	\$58,323.20	6.9%
Clerk III	Trinity County PUD	\$61,765.50	\$66,071.20	7.0%
Accounting & HR Specialist	Humboldt Bay Municipal Water District	\$55,723.00	\$60,008.00	7.7%
<b>Programatic</b>				
Project Specialist (lower range) <sup>2</sup>	Mendocino Energy Watch Program	\$46,227.64	\$46,227.64	0.0%
Project Specialist (upper range) <sup>2</sup>	Mendocino Energy Watch Program	\$58,531.20	\$58,531.20	0.0%
Burn Permit Coordinator	North Coast Air Quality Management District	\$61,008.00	\$63,473.06	4.0%
Electric Utility Program Coordinator	City of Ukiah Electric Utility	\$51,548.76	\$54,850.94	6.6%
Utility Services Team Leader	City of Ukiah Electric Utility	\$50,291.34	\$53,610.54	6.6%
Operations/Customer Service Specialist	Humboldt Bay Municipal Water District	\$55,723.00	\$60,008.00	7.7%
Program & Regulatory Analyst	Humboldt Bay Municipal Water District	\$60,942.00	\$67,092.72	10.1%
Research Engineer	HSU Schatz Energy Research Center	\$51,823.20	\$77,022.00	48.6%
Customer Care Specialist	Sonoma Clean Power	\$62,500.00	\$62,500.00	0.0%
<b>AVERAGE</b>		<b>\$55,379.57</b>	<b>\$59,706.25</b>	<b>7.8%</b>
<b>Current RCEA Midpoint (Specialist step 8)</b>		<b>\$65,000.00</b>	<b>\$68,850.00</b>	<b>7.0%</b>

<b>Technician/Senior Technician</b>				
Sustainability and Energy Efficiency Specialist I	Mendocino Energy Watch Program	\$58,791.20	\$58,791.20	0.0%
Sustainability and Energy Efficiency Specialist II	Mendocino Energy Watch Program	\$74,432.80	\$74,432.80	0.0%
Inspector I-III	North Coast Air Quality Management District	\$61,008.00	\$63,473.06	4.0%
Air Pollution Specialist	North Coast Air Quality Management District	\$61,008.00	\$63,473.06	4.0%
Electrical Engineering Technician I-III	City of Ukiah Electric Utility	\$71,433.72	\$81,524.58	14.1%
Utility Worker	Trinity County PUD	\$70,034.00	\$87,349.60	24.7%
<b>AVERAGE</b>		<b>\$66,117.95</b>	<b>\$71,507.38</b>	<b>8.2%</b>
<b>Current RCEA Midpoint (Tech step 8)</b>		<b>\$65,000.00</b>	<b>\$69,550.00</b>	<b>7.0%</b>



Figures represent base pay only, while RCEA offers comparable insurance benefits to other local public agencies, it should be noted that some of these Labor Market Agencies participate in CalPERS which provides a significantly greater value than RCEA's basic 3% retirement plan matching contribution to deferred compensation plan

Mar-19

Title	Organization	Dec 2016 Midpoint of range or single point	Midpoint of range or single point	% Increase from previous
<b>Manager/Senior Manager</b>				
<b>Admin</b>				
Controller	North Coast Air Quality Management District	\$61,008.00	\$63,473.06	4.0%
Administrative Assistant <sup>3</sup>	Trinity County PUD	\$76,108.00	\$77,000.01	1.2%
Deputy (Assistant) Finance Director	City of Eureka	\$79,314.00	\$81,089.50	2.2%
Billing & Customer Service Manager	City of Ukiah Electric Utility	\$65,673.97	\$68,301.00	4.0%
Public Works Operations Manager	City of Eureka	\$68,514.00	\$70,172.50	2.4%
<b>Programatic</b>				
Development and Sustainability Manager I	Mendocino Energy Watch Program	\$79,154.40	\$79,154.40	0.0%
Special Projects Manager	City of Eureka	\$79,314.00	\$81,089.50	2.2%
Project Manager	City of Eureka	\$68,514.00	\$70,172.50	2.4%
Deputy Public Works Director	City of Eureka	\$83,280.00	\$85,236.00	2.3%
Permits and Planning Manager	North Coast Air Quality Management District	\$88,793.00	\$84,058.57	-5.3%
Compliance and Enforcement Manager	North Coast Air Quality Management District	\$82,308.00	\$84,058.57	2.1%
Senior Research Engineer	HSU Schatz Energy Research Center	\$78,041.80	\$93,666.00	20.0%
Construction Projects Manager	County of Humboldt	\$75,447.96	\$78,124.80	3.5%
<b>AVERAGE</b>		<b>\$75,805.46</b>	<b>\$78,122.80</b>	<b>3.1%</b>
<b>Current RCEA Midpoint (Manager step 8)</b>		<b>\$75,000.00</b>	<b>\$80,250.00</b>	<b>7.0%</b>
<b>Director</b>				
<b>Administrative</b>				
Business Manager	Humboldt Bay Municipal Water District	\$84,732.00	\$91,242.00	7.7%
Finance Director	City of Eureka	\$108,296.00	\$108,830.00	2.4%
Chief Financial Officer	Trinity County PUD	\$82,890.00	\$119,869.15	44.6%
Office Administrator	Trinity County PUD	\$93,902.00	\$105,307.96	12.1%
Compliance Manager	Sonoma Clean Power	\$120,000.00	\$135,000.00	12.5%
<b>Programatic</b>				
Development and Sustainability Manager II	Mendocino Energy Watch Program	\$100,193.80	\$100,193.80	0.0%
Assistant Utility Director	City of Ukiah Electric Utility	\$109,363.20	\$141,694.56	29.6%
Electrical Superintendent <sup>4</sup>	City of Ukiah Electric Utility	\$98,208.80	\$128,813.28	31.2%
Superintendent	Humboldt Bay Municipal Water District	\$93,411.00	\$100,590.00	7.7%
Electric Superintendent	Trinity County PUD	\$160,914.00	\$160,154.80	-0.5%
Director of Power Services	Sonoma Clean Power	\$160,000.00	\$160,000.00	0.0%
Director of Programs	Sonoma Clean Power	\$135,000.00	\$135,000.00	0.0%
<b>AVERAGE</b>		<b>\$112,075.87</b>	<b>\$123,891.28</b>	<b>10.5%</b>
<b>Current RCEA Midpoint (step 5)</b>		<b>\$100,000.00</b>	<b>\$107,000.00</b>	<b>7.0%</b>
<b>Executive Director</b>				
General Manager	Humboldt Bay Municipal Water District	\$122,400.00	\$134,328.00	9.7%
Air Pollution Control Officer	North Coast Unified Air Quality District	\$138,320.00	\$124,480.00	-10.0%
General Manager	Trinity County Public Utility District	\$202,774.00	\$225,050.80	11.0%
Electric Utility Director	City of Ukiah Electric Utility	\$144,000.00	\$170,070.72	18.1%
Chief Executive Officer	Sonoma Clean Power	\$205,000.00	\$275,000.00	34.1%
<b>AVERAGE</b>		<b>\$162,498.80</b>	<b>\$185,785.90</b>	<b>14.3%</b>
<b>Current RCEA Midpoint (step 5)</b>		<b>\$130,000.00</b>	<b>\$139,100.00</b>	<b>7.0%</b>

## Footnotes:

<sup>1</sup> Salary shown for Dec 2016 is for Administrative Assistant

<sup>2</sup> Position(s) formerly titled "Scheduler-Planner Specialist I & II"

<sup>3</sup> Salary shown for Dec 2016 is for Assistant Office Administrator

<sup>4</sup> Position formerly titled Electrical Supervisor

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