

Create Opportunities



March 12, 2021

Proposal to provide professional auditing services to:

City of Santa Ana

Technical Proposal
RFP Number: 21-024



Prepared by:
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CLAconnect.com

**WEALTH ADVISORY
OUTSOURCING
AUDIT, TAX, AND
CONSULTING**



CLA (CliftonLarsonAllen LLP)
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1 Cover Letter

March 12, 2021

Sergio Vidal, Assistant Director of Finance &
Management Services Agency
City of Santa Ana – Finance and Management Services Agency
20 Civic Center Plaza
Santa Ana, CA 92701

Thank you for inviting CliftonLarsonAllen (CLA) to propose our services to the City of Santa Ana (City) for audit services for the fiscal years ending June 30, 2021 and 2022. We understand the City reserves the right to extend the contract for up to one additional one two-year term for a total of four years. CLA's extensive experience serving local governments in California and nationally – bolstered by our client-oriented philosophy – makes CLA the top qualified candidate to be your independent firm.

The following are just a few differentiators offered for the City's consideration:

- **Strong methodology and responsive timeline.** In forming our overall audit approach, we have carefully reviewed the RFP and other information made available and considered our past experience performing similar work for other local governments. In addition to our local government clients, we currently serve more than 4,150 governmental organizations nationally. From our work with you in the past, our staff understands your complexities not just from a compliance standpoint, but also from an operational point of view. We have developed a work plan that takes into consideration your unique needs as a governmental entity in the state of California. The work plan also minimizes the disruption of your staff and operations and provides a blueprint for timely delivery of your required reports.
- **Experience auditing cities.** Our Irvine office (legacy firm White Nelson Diehl Evans LLP) currently audits approximately 100 government entities on an annual basis including approximately 45 cities. WNDE served as the auditors for the City of Santa Ana for the period FY 2016 to FY 2020. For a fresh perspective and to comply with the State of California requirements, we are proposing with a new engagement partner.
- **CAFR assistance.** We understand the City's desire to issue a CAFR and receive the Government Finance Officers Association (GFOA) certificate of achievement for excellence in financial reporting. Our team is comprised of individuals, dedicated to your engagement, with significant experience assisting governmental entities in receiving this award. We will work closely with the City to assist in your CAFR preparation and review of the GFOA checklist, to best position the City to receive this award.

Verification Statements

I, Daphnie Munoz, your engagement principal in charge, will serve as the primary contact person for this engagement. Furthermore, as principal of CLA, I am authorized to sign, bind, and commit the firm to the obligations contained in this proposal and the City's RFP. This proposal is valid for a period of 90 days following proposal deadline.

We are eager to continue working with you and welcome the opportunity to present our proposal to the City's management team. If you have any questions about our offerings, please do not hesitate to call me directly.

Sincerely,
CliftonLarsonAllen LLP

Daphnie Munoz, CPA, Principal
Direct 714-795-5474 |
daphnie.munoz@claconnect.com



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2 Agreement Statement

We have reviewed the City's standard agreement which was provided as Exhibit A of the request for proposal. We have no exceptions except for the following:

- We reserve the right to discuss the modification of the wording in Section 7 of the agreement regarding indemnification to ensure that we will not be in violation of our insurance providers' requirements or generally accepted auditing standards.

3 Firm and Team Experience

a. Firm overview

With 7,400 people in more than 130 U.S. locations, and a global affiliation, we bring a wide array of approaches to help clients in all markets, foreign and domestic.

CLA exists to create opportunities for our clients, our people, and our communities through industry-focused wealth advisory, outsourcing, audit, tax, and consulting services. Our broad professional services allow us to serve clients more completely — from startup to succession and beyond.

CLA has nearly 400 state and local government professionals' firm wide. Our professionals are immersed in the industries they serve and have specialized knowledge of their operating and regulatory environments.



b. Experience with similar governmental agencies

CLA understands and appreciated California governmental experience like no other firms. CLA has a team of professionals in our Irvine office that focus their efforts in the government industry. Our government services team specifically chose to work in this industry. As such, our people are passionate about what they do and eager to exceed your expectations both now and in the future.

As a CPA firm experienced in serving state and local government, CLA is aware of the financial and legal compliance requirements that government officials are facing daily, specifically in the State of California. CLA's Irvine office currently audits approximately 100 governmental organizations which includes approximately 45 cities in California.

c. Office information and primary contact for your engagement

The City will be served by our specialized government engagement team located in our Irvine, California office. We are a local firm with national resources. We are solely focused on providing high quality accounting, auditing, and consulting services to California municipalities, special districts, and other government entities. Daphnie Munoz will be your assurance principal and is authorized to bind the firm.



Primary Contact

Daphnie Munoz, CPA, Principal
714-795-5474 | Fax: 714-978-7893
daphnie.munoz@CLAconnect.com

Firm Location

CliftonLarsonAllen LLP
2875 Michelle Drive, Suite 300
Irvine, California

d. Proposed engagement team

An experienced engagement team has been aligned to provide the most value to your organization. The team members assigned to this engagement have performed numerous City Municipal Audit engagements of this nature and will commit the resources necessary to provide top quality service throughout the engagement. All management team members are full-time employees from the Irvine Office, currently and properly licensed Certified Public Accountants. Additional staff will hold a minimum of a bachelor's degree from an accredited university, be a licensed CPA or CPA candidate, and will be closely managed by one of more of the individuals listed below.

**The most important
resource any business has is
people — the right people.**

Engagement Team Member	Role	Years' experience
Daphnie Munoz, CPA	Engagement Principal	22+
Kassie Radermacher, CPA, CFE	Assurance Principal	16+
Robert Perl, CPA	Manager	14+
Nicole Racine, CPA	Senior	3+
James Kreiser, CISA, CRMA CFSA	Information Systems Principal	22+

Detailed biographies are available in the Appendix of this proposal.

Roles and responsibilities

Engagement Principal – Daphnie Munoz will have overall engagement responsibility including planning the phase of the audit to assess risks related to the audit. Daphnie will perform a final review of the work papers and financial reports. Daphnie is responsible for total client satisfaction through the deployment of all required resources and continuous communication with management and the engagement team.

Assurance Principal – Kassie Radermacher will serve as the assurance principal and will perform a detailed review of the work papers and financial reports. Kassie will oversee the audit, supervise the staff, and maintaining client contact throughout the engagement and throughout the year

Engagement Manager – Robert Perl, will act as the lead manager on the engagement. In this role, Robert will assist the engagement and assurance principals with planning the engagement, coordination of the timeline of the engagement status with the City and performing complex audit areas. He will perform a technical review of all work performed and is responsible for the review of the comprehensive annual financial report and all related reports.

Information Systems Principal – James Kreiser will lead the audit team in documenting and evaluating general computer controls and IT application controls.



Engagement Senior – Nicole Racine will act as the senior on the engagement. In this role, Nicole will be onsite performing the fieldwork, supervising, and reviewing the work of the staff accountants as the audit fieldwork is being performed and providing updates to the City staff.

Additional Staff – We will assign additional staff to your engagement based on your needs and their experience providing services to state and local governments. The staff assigned to your team will be from our Irvine office with state and local government as their industry focus at CLA.

e. Experience

Government experience

CLA offers the credibility, reputation, and resources of a leading professional services firm — without sacrificing the small-firm touch. We bring high levels of technical excellence, commitment, and dedication to our clients, which have made us one of the most successful professional service firms serving governmental entities. Our strong reputation for serving state and local government units provides the City the confidence in their decision to select CLA to continue as their professional service provider.

CLA has one of the largest governmental audit and consulting practices in the country, serving thousands of governmental clients nationwide. Regulated industries clients represent approximately one-quarter of all firm-wide revenue, and each of the government services team members are thoroughly versed in the issues critical to complex governmental entities.

Our professionals have deep, technical experience in serving governmental entities. As a professional service firm experienced in serving state and local units of government, we are very aware of the financial and legal compliance requirements that government officials face daily. This creates complexities and service issues within a unique operational and regulatory environment. Because of our experience, we have become adept at providing our clients with insights in this environment not typical of other professional service firms.

Certificate of achievement assistance

The Government Finance Officers Association is awarded to state and local governments that go beyond the minimum requirements of generally accepted accounting principles. It is awarded to state and local governments who produce a comprehensive annual financial report that evidences the spirit of transparency and full disclosure. Members of the GFOA staff and the GFOA Special Review Committee (SRC) review reports submitted to the CAFR program.

CLA provides audit services to many entities that received the GFOA Certificate of Excellence in Financial Report. All of the procedures noted in our audit approach and our technical review of the CAFR are done to help the City prepare and publish the top product possible. Our managers and principals who review the CAFR have a strong understanding of the GFOA requirement for the certificate. We understand that this is a prestigious award for the City and a great accomplishment for the Finance and Accounting departments.

We will review the GFOA comment letter for each CAFR and provide the City advice regarding the response to the GFOA reviewer's comments. Our procedures with respect to the CAFR will be the review of the comments from GFOA on the prior year submission to determine they were adequately addressed, completion of the CAFR checklist, and review of the transmittal letter and statistical data to determine that information presented is reasonable and agrees with the information in the financial statements and management's discussion and analysis (MD&A), where applicable.

We understand the interrelationships of the many and varied components of a governmental entity's financial statements, allowing us to quickly determine errors or problems with the financial statements. Our depth of



knowledge and experience also allows us to assist the City with the preparation of the CAFR and improvement of the City's financial statements.

Our involvement with clients in the GFOA Certificate program helps to determine that we are on the leading edge of reporting trends and techniques. We have been engaged by various entities to review their statements for compliance with program requirements. We have aided clients in the early implementation of professional pronouncements and regularly provide our clients with updates on new pronouncements which will affect them and will do the same for the City.

California municipal entities the local Irvine office has recently audited that have received the GFOA award of excellence in financial reporting are:

Recent Cities that we have assisted with the GFOA Certificate from our Irvine office:

Alhambra	Irvine	Newport Beach	Santa Ana
Burbank	La Canada Flintridge	Norco	Santa Barbara
Cerritos	La Habra	Norwalk	Santa Fe Springs
Chino	Laguna Hills	Orange	Signal Hill
Colton	Lake Forest	Palos Verdes Estates	Stanton
Del Mar	Lancaster	Pasadena	Torrance
El Segundo	Monterey Park	Rancho Palos Verdes	Tustin
Glendale	Murrieta	San Buenaventura	West Hollywood
Hesperia	La Palma	San Juan Capistrano	Westminster

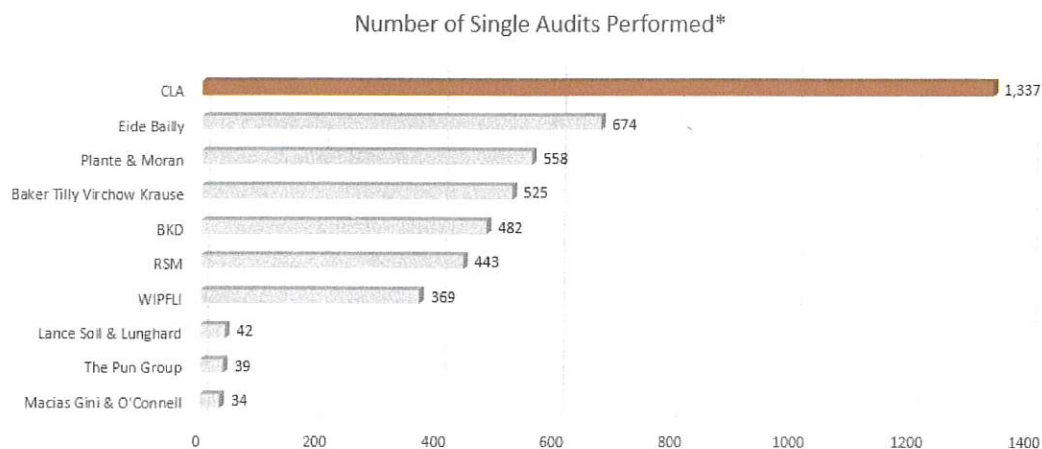


The table below identifies the professionals who are currently members of the GFOA Special Review Committee together with their length of service with the Committee:

Name	Title	Location	Years Served
Robert Callanan, CPA	Principal	Irvine, CA	5+
Julie S. Fowler, CPA	Signing Director	Sebring, FL	10+
Rich Gonzalez, CPA	Principal	Roseville, CA	5+
Michelle Hoffman, CPA	Principal	Minneapolis, MN	4+
Christopher Kessler, CPA	Principal	Fort Myers, FL	< 1
Christopher G. Knopik, CPA, CFE	Principal	Minneapolis, MN	5+
Jacob S. Lenell, CPA	Principal	Milwaukee, WI	10+
Daphnie Munoz, CPA	Principal	Irvine, CA	5+
Remi Omisore, CPA	Principal	Baltimore, MD	6+
Nitin Patel, CPA	Principal	Irvine, CA	5+
Jeffrey Peek, CPA	Manager	Roseville, CA	4+
Miranda Wendlandt, CPA, CFE	Principal	Alexandria, MN	3+

Single audit experience

CLA has become the national leader in providing audit, tax, and many other financial services to government entities similar to the City. Our client portfolio of nonprofit, government, and health care institutions represents nearly half of the firm's total revenues. The chart below illustrates CLA's experience in serving organizations that receive federal funds and demonstrates our firm's dedication to serving the government and nonprofit industry. **CLA performs the largest number of single audits in the United States! We audited nearly \$56 billion dollars in federal funds in 2019.**



*The information for the firms above was pulled from the Federal Audit Clearinghouse for audits with fiscal year ends between January 1, 2019 – December 31, 2019.



In the current environment of increased oversight and new federal funding being available through the CARES Act in response to the COVID-19 pandemic, it is more important than ever to find qualified auditors who have significant experience with federal grants specific to the City and can enhance the quality of the City's single audit. Therefore, the single audit, if needed, will be performed by a team of individuals who are managed by personnel who specialize in single audits in accordance with OMB's *UG* and who will offer both knowledge and quality for the City. As part of our quality control process, the single audit will be reviewed by a firm Designated Single Audit Reviewer.

The AICPA clarified auditing standard, AU-C 935 "Compliance Audits" requires risk-based concepts to be used in all compliance audits including those performed in accordance with OMB *UG*. Our risk-based approach incorporates this guidance.

Single Audit Resource Center (SARC) Award

CLA received the [Single Audit Resource Center \(SARC\) Award](#) for Excellence in Knowledge, Value, and Overall Client Satisfaction. SARC's award recognizes audit firms that provide an outstanding service to their clients based on feedback received from an independent survey in June 2018.



The survey queried 10,762 nonprofit and government entities about the knowledge of their auditors, the value of their service, and overall satisfaction with their 2017 fiscal year-end audit. The SARC award demonstrates CLA's dedication to serving the government and nonprofit industry and maintaining the most stringent regulatory requirements in those sectors.

Participation in Quality Improvement Programs

We work with governmental entities across the country, and our exposure to the circumstances and issues that surround your industry will allow us to serve you with exceptional knowledge and insight. We understand the specific needs and challenges of the public sector and have been serving clients similar to the City for decades.

We are actively involved in and/or are members of the following professional organizations:

- American Institute of Certified Public Accountants (AICPA)
- ✓ AICPA's State and Local Government Expert Panel
- ✓ AICPA's Government Audit Quality Center (GAQC)
- ✓ Government Finance Officers Association (GFOA)
- ✓ Special Review Committee for the GFOA's
- ✓ Certificate of Achievement for Excellence in Financial Reporting (Certificate) Program
- ✓ AICPA Single Audit Quality Task Force
- ✓ Association of Government Accountants
- ✓ California Society of Municipal Finance Officers
- ✓ Governmental Accounting and Audit Committee of the Orange County Chapter of the California Society of Certified Public Accountants



Our participation/membership in the aforementioned professional organizations, combined with various other technical services we subscribe to, allows use to be at the forefront of change in the government environment. We take seriously our responsibility for staying current with new accounting pronouncements, auditing standards, other professional standards and laws and regulations.



f. List of local office's most significant engagements in the last five (5) years

The below table provides related and relevant California projects that the CLA Irvine Office has successfully completed for Cities in the last five years.

City of Glendale

Client contact	Ms. Shu-Jun Li, Deputy Finance Director
Address	141 North Glendale Ave., Suite 346, Glendale, CA 91206
Phone number email	818-551-3048 sli@Glendaleca.gov
Engagement principal	Daphne Munoz
Dates of services	2020 – Present
Scope of work	City audit, Electric Utility Funds audit, Single Audit

City of Burbank

Client contact	Dino Balos, Accounting Manager
Address	275 East Olive Avenue, Burbank, CA 91502
Phone number email	818-238-5518 dbalos@burbankca.gov
Engagement principal	Nitin Patel
Dates of services	2013-Present
Scope of work	City audit, Electric and Water Utility funds audit, Single Audit, Investment AUP, AQMD audit

City of Colton

Client contact	Ms. Stacey Dabbs, Finance Director
Address	650 N. La Cadena Drive, Colton, CA 92324
Phone number email	909-370-5036 sdabbs@coltonca.gov
Engagement principal	Daphnie Munoz
Dates of services	2014 – Present
Scope of work	City and Single Audits; Child Care Compliance Audit; Electric and Water Utility Funds; State Controller's Report



City of Hesperia

Client contact	Mr. Casey Brooksher, Finance Director
Address	9700 Seventh Ave., Hesperia CA 92345
Phone number email	760-947-1813 cbrooksher@cityofhesperia.us
Engagement principal	Daphne Munoz
Dates of services	2016 – Present
Scope of work	City audit, Water and Sewer Utility Funds audit, Single Audit, State Controllars Reports

City of Victorville

Client contact	Bobby Magee, Director of Finance
Address	14343 Civic Dr., Victorville, CA 92392
Phone number email	760-955-5055 bmagee@victorvilleca.gov
Engagement principal	Kassie Radermacher
Dates of services	2019 - Present
Scope of work	Audits of the City, Victorville Water District, and Southern California Logistics Airport Authority, Single audit

g. Data requirements from the City

We request that the City provide access to all records required for the audits and other requirements of the contract. In addition, we request that you assign a “project coordinator” through whom we will communicate and coordinate activities. We do not foresee needing the City’s staff other than during normal business hours.

To assist in this process, we will provide a detailed Prepared by Client list early in the engagement. We will ask that your accounting staff provide us with standard schedules, as well as additional requested supporting items. We anticipate that your accounting personnel will assist us in retrieving the documents stored electronically for certain invoices, vouchers, cancelled checks, and other documents and records. We are extremely flexible as to the format in which we receive this information and will determine through the use of the latest technology that your personnel will not be asked to perform any unnecessary or extensively disruptive tasks.

We will depend on your staff to provide us with as much information as possible, in an effort to limit everyone’s time on the engagement and, ultimately, to save your organization money.

h. Independence

CLA is not aware of any financial, business, or other relationship with the City of any member of the City staff that may have an impact on the outcome of the project.

CLA is independent of the City as required by auditing standards generally accepted in the United States and the U.S. Government Accountability Office’s *Government Auditing Standards*. Our firm-wide quality control policies



and procedures foster strict compliance with these professional standards. In addition, the individuals assigned to your audit are independent of the City.

i. Licensed

CLA is duly licensed to practice public accountancy in the state of California and other states. All management team members hold a CPA designation. Additional staff will hold a minimum of a bachelor's degree from an accredited university, be a licensed CPA or CPA candidate and will be closely managed by the proposed management team members. A copy of our state license is provided below:

BOARD OF ACCOUNTANCY LICENSING DETAILS FOR: 7083

NAME: CLIFTONLARSONALLEN LLP

LICENSE TYPE: CPA - PARTNERSHIPS

LICENSE STATUS: CLEAR

PREVIOUS NAMES: LARSONALLEN LLP ♦ LARSON, ALLEN, WEISHAIR & CO., LLP

ADDRESS

60 S MARKET STREET
SAN JOSE CA 95113
SANTA CLARA COUNTY

ISSUANCE DATE

JULY 27, 2006

EXPIRATION DATE

JULY 31, 2022

CURRENT DATE / TIME

JUNE 25, 2020
7:37:57 AM

j. Quality control review and peer review

The most recent peer review report we received expressed a rating of *pass*, which is the most positive report a firm can receive. We are proud of this accomplishment and its strong evidence of our commitment to technical excellence and quality service. The full report is provided on the following page.

In addition to an external peer review, we have implemented an intensive internal quality control system to provide reasonable assurance that the firm and our personnel comply with professional standards and applicable legal and regulatory requirements. Our quality control system includes the following:

- A quality control document that dictates the quality control policies of our firm. In many cases, these policies exceed the requirements of standard setters and regulatory bodies. Firm leadership promotes and demonstrates a culture of quality that is pervasive throughout the firm's operations. To monitor our adherence to our policies and procedures, and to foster quality and accuracy in our services, internal inspections are performed annually.
- Quality control standards as prescribed by the AICPA. The engagement principal is involved in the planning, fieldwork, and post-fieldwork review. In addition, an appropriately experienced professional performs a risk-based second review of the engagement prior to issuance of the reports.
- Hiring decisions and professional development programs designed so personnel possess the competence, capabilities, and commitment to ethical principles, including independence, integrity, and objectivity, to perform our services with due professional care.
- An annual internal inspection program to monitor compliance with CLA's quality control policies. Workpapers from a representative sample of engagements are reviewed and improvements to our practices and processes are made, if necessary, based on the results of the internal inspection.



- Strict adherence to the AICPA's rules of professional conduct, which specifically require maintaining the confidentiality of client records and information. Privacy and trust are implicit in the accounting profession, and CLA strives to act in a way that will honor the public trust.
- A requirement that all single audit engagements be reviewed by a designated single audit reviewer, thereby confirming we are in compliance with the standards set forth in OMB *Uniform Guidance*.



Report on the Firm's System of Quality Control

November 21, 2019

To the Principals of CliftonLarsonAllen LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of CliftonLarsonAllen LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

Firm's Responsibility

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

Peer Reviewer's Responsibility

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

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans; audits performed under FDICIA; audits of broker-dealers; and examinations of service organizations [SOC 1 and SOC 2 engagements].

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 CliftonLarsonAllen LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2019, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. CliftonLarsonAllen LLP has received a peer review rating of *pass*.

Cherry Bekaert LLP

Cherry Bekaert LLP



k. Federal or state desk or field reviews

CLA has been subject to several federal and state desk reviews by state oversight agencies during the past three years, and we have resolved all findings. In addition, our government audits are subject to review by each agency's Office of Inspector General, as well as the U.S. Government Accountability Office, and we have also resolved all findings identified in those reviews.

l. Limits on liability

See Section 9, Insurance.

m. Insurance

CliftonLarsonAllen LLP carries commercially reasonable amounts of general liability and malpractice (aka professional liability) insurance. If requested, the firm will provide a certificate of coverage for an amount specified by the City upon being engaged.

n. Authorized to contractually bind the firm

Daphnie Munoz, as principal of CLA, is authorized to sign, bind, and commit the firm to the obligations contained in this proposal and the City's RFP. This proposal is valid for a period of 90 days.

o. Disciplinary action

From time to time, the firm is a defendant in lawsuits involving alleged professional malpractice. In all cases, the firm believes that it has a strong position and intends to defend itself vigorously. Should the ultimate outcome be unfavorable, however, net of the deductible provisions of the firm's malpractice insurance, all cases are expected to be fully covered by insurance and will not have a material impact on the firm or its ability to perform these services.

Moreover, in those cases where claims have been resolved by settlement (the vast majority of our cases), the firm is typically subject to confidentiality agreements that prohibit the disclosure of information regarding those matters. Disclosure by the firm of any details about those matters could invalidate the settlement agreements.

4 Work Plan

a. Audit approach

Many organizations view an audit as a requirement that doesn't contribute to their overall operations or value. At CLA, we believe an audit should be an annual check-up that gives you insight into your organization, allowing you to take advantage of opportunities and improve your operations.

CLA is one of a few firms that have developed its own proprietary audit program. Our audit teams can customize our audit programs to address the specific risks and unique characteristics of your operation. We do not perform the exact same procedures for every client. In addition, our audit programs are interactive, providing guidance to the staff while they are performing the audit procedures.

Our audit approach for year one and subsequent years will have certain consistent elements. However, we expect that the subsequent years will result in fewer audit hours based on the efficiencies gained as we become more familiar with your operations. Our audit objective extends beyond the issuing of an opinion on financial statements. We believe that a good audit yields substantial information for management and is a valuable tool



in recognizing opportunities and identifying areas that can be strengthened. An effective audit performed by our team will also provide:

- An objective look at your policies and procedures
- Valuable suggestions for improvements in your financial operations and other areas
- An analysis of trends and unusual variations from year-to-year
- Protection for current and future resources through improved internal controls
- A deterrent to embezzlement and other fraudulent activities

Benefits of CLA's Risk-Based Approach

Our audit services are designed to protect the interests of the members, governance, and management by concentrating on high-risk areas. Risk identification is the first step of the audit process, providing the basis upon which the overall plan is developed. Our risk assessment process involves consideration of the following types of risk:

- Inherent risk - that an error in the accounting and reporting process may occur
- Control risk - that internal control systems designed to prevent/detect errors may fail
- Audit detection risk - the risk that audit procedures may fail to detect errors

Through careful consideration of the above risks and their interrelationships, we will develop an audit plan and related procedures that concentrate our efforts on those elements of your financial statements that involve the greatest risk. At the same time, we will avoid the unnecessary application of commonplace and traditional procedures to low-risk areas. Throughout the engagement, we will communicate our observations to the City. The information we provide is intended to help you better manage your organization, and not just reside in a written report that is filed among your organization's records.

Our teams are very deadline driven and have experience meeting and exceeding deadlines from working with numerous similar clients throughout the years. Through upfront planning and coordination with our clients we can establish timelines that meet their needs and enable us to perform our work efficiently and effectively, thus minimizing the disruption to their business.

Your time has value. We recognize that you and your teams' day is filled with competing priorities and constant distractions. We elevate your experience by utilizing a variety of communication mediums, such as a web-based document portal, video conferencing, email, and phone calls, to keep everyone informed and on track. These mediums provide ultimate flexibility so that you can choose where and how your audit is performed. In contrast to a traditional engagement, where a team spends weeks on site at your location, our Seamless Assurance Advantage focuses on having the right team members on your engagement and isn't dependent upon any physical locations.

Phases and methodology of financial statement audit

The CLA audit methodology utilizes a five-phase approach.



Methodology. *Our audit is performed based on a risk-based approach. We conduct our audits under the concept of “understanding the entity.” This concept is based fundamentally on the fact that the City is unique. By understanding the City, we gain the necessary perspective for performing an effective audit. Our audit approach places particular emphasis on the planning phase to determine maximum efficiency and effectiveness.*

When performing an audit, we are sensitive and understanding of the fact that we report to those charged with governance. We maintain objectivity and independence in order to be able to issue our audit opinions. We will act within our philosophy of total client service, maintain the professional relationship refined with management, and fulfill our responsibilities with the utmost professionalism.

Yearlong support: We encourage your staff to take advantage of our accessibility throughout the year for questions that may arise. Our people, working with you and your staff, can provide proactive advice on new accounting or GAAP pronouncements and their potential impact; help with immediate problems including answers to brief routine questions, and share insights and best practices to assist you in planning for your future success.

Phase I: Assessment

The assessment phase of an engagement starts when an engagement letter is issued.

Upon notice of contract award, we will prepare a contract and engagement letter. We will communicate our plan to start the work and to discuss the audit process.

These discussions are intended to accomplish the following:

- Identify key management and staff involved in the audit
- Identify primary audit liaisons
- Introduce our audit team and identify key CLA contact personnel
- Discuss the timetable
- Explain our means and ways of communication
- Inquire about any issues, which we may need to be aware of
- Discuss logistics and administrative matters
- Complete a preliminary assessment of risk based on a review of prior year workpapers and knowledge of your organization

Through all phases of the audit, we think it is important to have regular communications with the City’s management to discuss the status of the engagement. We will provide timely communication of any critical issues, concerns, and potential findings with the person primarily responsible for the area and our audit liaisons.

We will be available to meet with key management prior to issuance of the final audit report. This meeting will highlight some of the results of the audit, any outstanding items, and reporting and issuing processes.

Phase 2: Planning & Strategy

The main objective of the planning phase is to identify significant areas and design efficient audit procedures. We will accomplish our planning by following the methodology below:

- Conduct an entrance meeting with the City’s personnel to mutually agree on an outline of responsibilities and timeframes. The agenda will include but not be limited to the following:
 - Establish audit approach and timing schedule
 - Assistance to be provided by the City’s personnel
 - Application of generally accepted accounting principles



- Initial audit concerns
 - Concerns of the City's management
 - Establishment of report parameters and timetables
 - Progress reporting process
 - Establish principal contacts
- Gain an understanding of the operations of the City, including any changes in its organization, management style, and internal and external factors influencing the operating environment. We will utilize reference materials such as the budget and related materials, organizational charts, manuals and programs, financial, and other management information systems
 - Identify significant accounts and accounting applications, critical audit areas, significant provisions of laws and regulations, and relevant controls over operations
 - Determine the likelihood of effective Information Systems (IS) - related controls
 - Perform a preliminary overall risk assessment
 - Confirm protocol for meeting with and requesting information from relevant staff
 - Establish a timetable for the fieldwork phase of the audit
 - Determine a protocol for using TeamMate Analytics and Expert Analyzer (TeamMate), our data extraction and analysis software, to facilitate timely receipt and analysis of reports from management
 - Compile an initial comprehensive list of items to be prepared by the City, and establish mutually agreed upon deadlines

We will document our planning through preparation of the following:

- **Entity Profile.** This profile will help us gain an understanding of the City's activities, organizational structure, services, management, key employees, and regulatory requirements
- **Preliminary Analytical Procedures.** These procedures will assist in planning the nature, timing and extent of auditing procedures that will be used to obtain evidential matter. They will focus on enhancing our understanding of the financial results, and will be used to identify any significant transactions and events that have occurred since the last audit date, as well as to identify any areas that may represent specific risks relevant to the audit
- **General Risk Analysis.** This will contain our overall audit plan, including materiality calculations, fraud risk assessments, overall audit risk assessments, effects of our IS assessment, timing, staffing, client assistance, a listing of significant provisions of laws and regulations and other key planning considerations
- **Account Risk Analysis.** This document will contain the audit plan for the financial statements, including risk assessment and the extent and nature of testing by assertion
- **Prepared by Client Listing.** This document will contain a listing of schedules and reports to be prepared by the City's personnel with due dates for each item

One of the key elements in the planning of this audit engagement will be the heavy involvement of principals and managers. We will clearly communicate any issues in a timely manner and will be in constant contact with the City as to what we are finding and where we expect it will lead.

We will develop our audit programs during this phase. Utilizing the information, we have gathered, and the risks identified, we will produce an audit program specifically tailored to the City. This program will detail by major section the nature and types of tests to be performed. We view our programs as living documents, subject to change as conditions warrant.



Phase 3: Systems Evaluation

During the systems evaluation phase, we will gain an understanding of the internal control structure of the City for financial accounting and relevant operations. Next, we will identify control objectives for each type of control that is material to the financial statements, and then identify and gain an understanding of the relevant control policies and procedures that effectively achieve the control objectives. Finally, we will determine the nature, timing, and extent of our control testing and perform tests of controls. This phase of the audit will include testing of certain key internal controls:

- Electronic data, including general and application controls reviews and various user controls
- Financial reporting and compliance with laws and regulations

We will test controls over certain key cycles. One audit efficiency initiative is to rely heavily on internal controls when appropriate, and to creatively look at internal control testing to make it as efficient as possible. This means not routinely performing detailed tests of transactions using large samples. We first seek to identify key controls, and then identify possible testing through alternative methods, such as observation, interviews, and re-performance. These tests serve not only to gather evidence about the existence and effectiveness of internal control for purposes of assessing control risk, but also to gather evidence about the reasonableness of an account balance.

We will also develop our internal control tests to assess the compliance with certain provisions of laws, regulations, contracts, and grants for which noncompliance could have a direct and material effect on the determination of financial statement amounts. Our use of multi-purpose tests allows us to provide a more efficient audit without sacrificing quality.

Our assessment of internal controls will determine whether the City has established and maintained internal controls to provide reasonable assurance that the following objectives are met:

- Transactions are properly recorded, processed, and summarized to permit the preparation of reliable financial statements and to maintain accountability over assets
- Assets are safeguarded against loss from unauthorized acquisition, use, or disposition
- Transactions are executed in accordance with laws and regulations that could have a direct and material effect on the financial statements

We will finalize our audit programs during this phase. We will also provide an updated Prepared by Client Listing based on our test results and our anticipated substantive testing.

During the internal control phase, we will also perform a review of general and application Information Systems (IS) controls for the applications that are significant to financial statements to conclude whether IS general controls are properly designed and operating effectively, and consider application controls as part of the internal control assessment in the financial statement audit. Our strategy for the IS review of the applications will involve reviewing all the general control activities, including the computerized and manual processes. We will determine the scope of work by applying the concepts of materiality and risk assessment to effectively reduce examination inefficiencies. When planning this examination, we will gain an understanding of the City's operations by reviewing its current controls and control objectives as documented and will also review prior years' audit work and the status of corrective actions.

Based on our preliminary review, we will perform an initial risk assessment of each critical element in each general control category, as well as an overall assessment of each control category. We will then proceed to assess the significant computer-related controls.



For IS-related controls that we deem to be ineffectively designed or not operating as intended, we will gather sufficient evidence to support appropriate findings and will provide recommendations to improve internal controls. For those IS controls that we deem to be effectively designed, we will perform testing to determine if they are operating as intended through a combination of procedures, including observation, inquiry, inspection, and re-performance.

Phase 4: Testing & Analysis

The extent of our substantive testing will be based on results of our internal control tests. It has been our experience that governmental entities, like the City, often have a system of internal controls that, with appropriately designed tests and correlation to account balances, can be used to limit the extent of account balance substantiation testing.

Audit sampling will be used only in those situations where it is the most effective method of testing. Before deciding to sample, we will consider all possible approaches and audit techniques. Items where, in our judgment, acceptance of some sampling risk is not justified will be examined 100 percent. These may include unusual items or items for which potential misstatements could individually equal or exceed tolerable error.

After identifying individually significant or unusual items, we will decide on the audit approach for the remaining balance of items by considering tolerable error and audit risk. This may include (1) testing a sample of the remaining balance; (2) lowering the previously determined threshold for individually significant items to increase the percent of coverage of the account balance; or (3) applying analytical procedures to the remaining balance. When we elect to sample balances, we will use IDEA to efficiently control and select our samples.

Our work papers during this phase will clearly document our work as outlined in our audit programs. We will also provide the City with status reports during the audit fieldwork. As in all phases of the audit, we will be in communication with the City to determine that all identified issues are resolved in a timely manner. We will also hold a final exit conference with the City to summarize the results of our fieldwork and review significant findings.

Phase 5: Reporting & Follow-Up

Reports to management will include oral and/or written reports regarding:

- Independent auditors' report
- Management letter
- Written communication to those charged with governance, which includes the following areas:
 - Our responsibility under auditing standards generally accepted in the United States of America
 - Changes in significant accounting policies or their application
 - Unusual transactions
 - Management judgments and accounting estimates
 - Significant audit adjustments
 - Other information in documents containing the audited financial statements
 - Disagreements with the City
 - The City's consultations with other accountants
 - Major issues discussed with management prior to retention
 - Difficulties encountered in performing the audit
 - Fraud or illegal acts

Once the final review of working papers and financial statements are completed – a process that actually starts while the fieldwork is in process – our opinion, the financial statements, and management letter will be issued.



The City will be provided a draft of any comments that we propose to include in the management letter, enabling you to review the comments for accuracy prior to final release. Any items that come to our attention that are not what we consider major items may be discussed verbally with management and not included in the management letter. Our management letter will include items noted during our analysis of your operations.

We will also make a formal presentation of the results of the audit to those charged with governance of the City, if requested.

Sample size and statistical sampling

We follow the guidance of AU-C Section 530, Audit Sampling, in using statistical and nonstatistical approach. We use quality control material in all our audit engagements. These AU-C Section 530 – “Audit Sampling” forms guide our staff through a logical process of assessing inherent risk, control risk, and combined audit risk, followed by an assessment of appropriate sample size for testing.

Sample sizes will vary depending on the nature of the testing (compliance versus substantive) and the size of the population being sampled. Sampling techniques are utilized in compliance and internal control testing, as well as substantive testing of certain asset and liability account balances. Sample sizes used for internal control testing depend on a number of factors, namely the number of expected or actual control deviations, size of population, and level of control assurance anticipated. Sample sizes can range from 20 to 90 possible selections.

To illustrate, if no internal control deviations are anticipated and the frequency of the population (i.e., the number of times the control is performed in a given year) is less than 100, then we will test 20 transactions in order to obtain moderate control assurance. If 2 internal control deviations are anticipated, and the frequency of the population is greater than 200, then we will test 90 transactions in order to obtain low control assurance. We are usually able to cover a substantial portion of the compliance and controls testing with one sample, resulting in a very efficient approach.

Data analytics

In addition to standard auditing methodology, a distinguishing aspect of CLA’s audit services incorporates the power of data analytics to multiply the value of the analyses and the results we produce for clients. CLA’s data methodology is a six-phase, systematic approach to examining an organization’s known risks and identifying unknown risks. Successful data analysis is a dynamic process that continuously evolves throughout the duration of an engagement and requires collaboration of the engagement team.

Data analytics are utilized throughout our audit process, our *Risk Assessment, Data Analytics and Review* (“RADAR”) is a specific application of general ledger data analytics that has been implemented on all audit engagements. RADAR is an innovative approach created and used only by CLA that aims to improve and replace traditional preliminary analytics that were being performed.

The phases in our data analytics process are as follows:

1. Planning

In the planning stage of the engagement, the use of data analysis is considered and discussed to determine that analytics are directed and focused on accomplishing objectives within the risk assessment. Areas of focus, such as journal entries, cash disbursements, inventory, and accounts receivable are common.

2. Expectations

We consider the risks facing our client and design analytics to address these risks. Through preliminary discussions with management and governance, we develop and document expectations of financial transactions



and results for the year. These expectations will assist in identifying anomalies and significant audit areas in order to appropriately assess risk.

3. Data Acquisition

Sufficient planning, a strong initial risk assessment, and an adequate understanding of your systems will serve as the foundation necessary to prepare our draft data request list. We will initially request information in written format and conduct follow-up conversations helping CLA practitioners our staff share a mutual understanding of the type of data requested and the format required. If there are going to be any challenges/obstacles related to obtaining data, or obtaining data in the preferred format, they will generally be discovered at this point.

4. Technical Data Analysis

Technical analysis of the data *requires* the skillful blend of knowledge and technical capability. Meaningful technical analysis provides the engagement team with a better understanding of the organization. The additional clarity assists the engagement team to better assess what is “normal” and, in turn, be better suited to spot anomalies, red-flags and other indications of risk. Analytics generally fall into five categories, each looking into the data set in a different way and deployed with a different purpose.



5. Interpret Results and Subsequent Risk Assessment

Trends and anomalies will be identified through the performance of the above referenced analytics. Comments regarding the interpretation of those trends and anomalies will be captured. When trends are identified they are reconciled against expectations. For anomalies identified, the approach to further audit procedures will be considered.

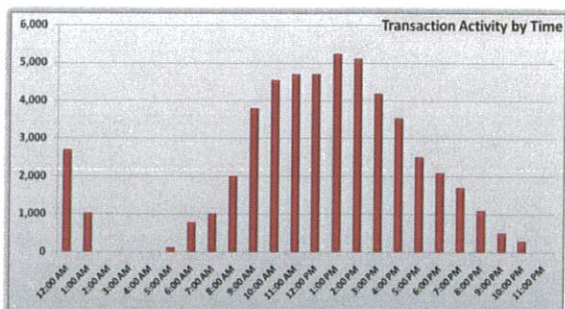
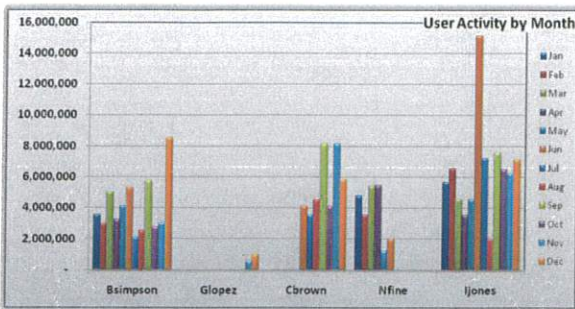
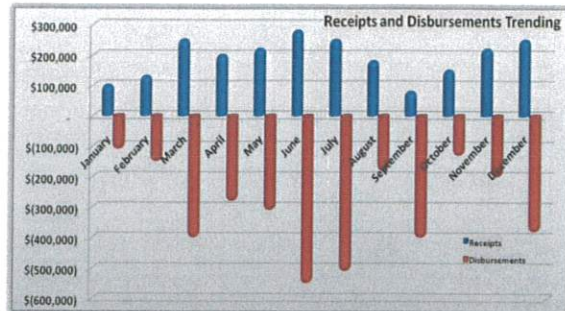
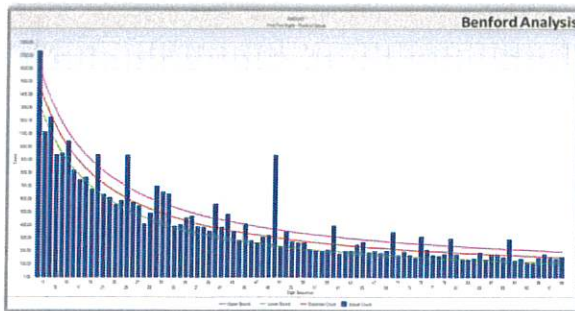
6. Response and Document

The last process is to capture responses and determine that our procedures are properly documented. Abstracts, charts or summaries of both trends and anomalies are retained in the audit documentation to support our identification of risks. Our analysis can be tailored and customized to help analyze an array of information, including client specific and proprietary data. Key benefits of data analytics include:

- Built-in audit functionality including powerful, audit specific commands and a self-documenting audit trail
- 100 percent data coverage, which means that certain audit procedures can be performed on entire populations, and not just samples
- Unlimited data access allows us to access and analyze data from virtually any computing environment
- Eliminates the need to extrapolate information from errors (a common effort when manually auditing data) and allows for more precise conclusions

The below figure illustrates typical data analytics scenarios.

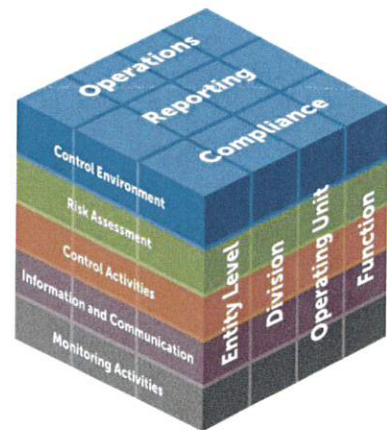




Data Analytics. At the end of a series of pre-determined analytics (often retrieved from multiple proprietary accounting systems) that are customized to the project at hand, we identify anomalies and potential errors in transactions. In every case, we review what appears to be inappropriate activity, including supporting documentation evidencing the transactions.

Procedures used to understand internal processes and controls

We understand with a change in the engagement principal and a different approach with CLA would require a new to develop an understanding of the City and its internal control and operating structure. We also strive to develop our understanding in the least intrusive manner possible, while still maintaining our professional responsibilities. We would utilize a combination of internal control forms and interviews with key accounting personnel to gain and document our understanding of the City. We will also use as a baseline any existing internal control processes, policies, organizational charts, etc. the City may have already documented. Tests of design and operating effectiveness would then be performed to confirm our understanding.



COSO Internal Control:
Integrated Framework

The Committee of Sponsoring Organizations of the Treadway Commission (COSO) has established a framework for internal control systems. Under the COSO framework, internal control is a process to provide reasonable assurance that those internal objectives, including effectiveness and efficiency of business operations, reliability of financial reporting, and compliance with applicable laws and regulations, will be met.

Our audit approach is designed to evaluate and test the departmental internal controls in accordance with COSO concepts. Our procedures include a review of the overall control environment, determination of the internal controls which are determined to be direct and material to the federal program under review, determination of the adequacy of those procedures, and testing of the procedures to determine if they are functioning as designed.

During the planning and internal control phases of our audit, we will develop our understanding of the City's business operations and internal control structure for financial accounting and relevant operations through observation, discussion, and inquiries with management and appropriate personnel. During this phase of the audit, we will review budgets and related materials, organization charts, accounting and purchase manuals, and other systems documentation that may be available.

Once we understand your operations, we will then identify control objectives for each type of control that is material to the financial statements. The next step will be to identify and gain an understanding of the relevant control policies and procedures that effectively achieve the control objectives. We will then determine the nature, timing, and extent of our control testing, and perform tests of controls.

This phase of the audit will include extensive testing of controls over transactions, financial reporting, and compliance with laws and regulations. Whenever possible, we will use dual-purpose tests to reduce the need to select multiple samples for internal control and compliance testing. We will be as efficient as possible, thereby reducing the disruption to your operations while achieving our audit objectives.

Our assessment of internal controls will determine whether the City has established and maintained internal controls to provide reasonable assurance that the following objectives are met:

- Transactions are properly recorded, processed, and summarized to permit the preparation of reliable financial statements and to maintain accountability over assets
- Assets are safeguarded against loss from unauthorized acquisition, use, or disposition
- Transactions are executed in accordance with laws and regulations that could have a direct and material effect on the financial statements

Our workpapers during this phase will clearly document our work through the preparation of the following for each significant transaction cycle or accounting application:

- Audit program
- Cycle memo and supporting documentation
- Account risk analysis (ARA)
- Specific control evaluation (SCE)

Approach to be taken in determining laws and regulations that will be subject to audit test work

We will obtain an understanding of the laws and regulations that have an impact on the City's operations by reviewing council minutes to identify any ordinances or resolutions that might have an impact to operations and reporting by the City, as well as interview key personnel and management of the City. Additionally, the staff assigned to the engagement attend regular trainings and are well versed in upcoming legislation, federal and state laws (i.e. Uniform Grant Guidance) and proactively discuss these upcoming changes with our clients.

We will also review current operations, contracts and IGA's that may have an impact on current operations.

Identification of anticipated potential audit problems

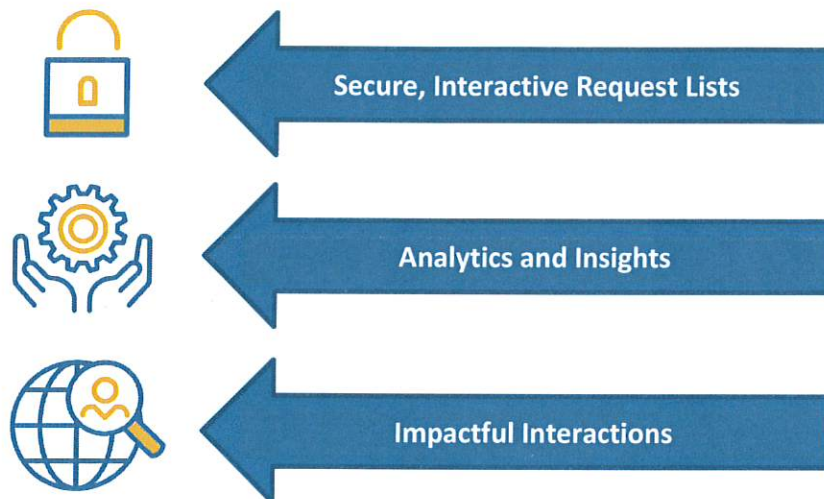
In situations where authoritative guidance on a particular transaction or accounting issue is unclear or subject to interpretation, our approach is to proactively meet with management to discuss the issue and reach a conclusion that is hopefully agreed upon by both parties. We do not have specific "firm policies" that dictate our conclusions to be reached on all complex accounting issues. Rather, each issue must be evaluated independently by our engagement team. As discussed above, we will not only meet internally, but also facilitate discussion with the City's management team in order to obtain a mutual understanding of the particular accounting issue, determine the applicable authoritative guidance that most closely relates to the issue, and strive to reach an



approach agreed upon by both parties. If there still remains any ambiguity or disagreement, we can explore other resources that could possibly assist, such as subject matter professionals within the Government Accounting Standards Board staff or the Government Finance Officers Association (GFOA) or perhaps other municipalities who may have dealt with similar issues.

Use of technology in the audit

We're reimagining the audit process through technology to elevate your experience!



Assurance Information Exchange (AIE) – To make working with CLA a seamless experience, our team utilizes a proprietary, secure web-based application to request and obtain documents necessary to complete client engagements. This application allows CLA and our clients to view a live client assistance letter client, which provides detailed information, including due dates for all the open items CLA is requesting. Additionally, clients can attach electronic files and add commentary related to the document requests directly on the application. Follow the link to view a brief tutorial of the [Assurance Information Exchange](#).

Microsoft® Teams – Our services approach focuses on impactful interactions. We've said goodbye to the days of setting up camp in our clients' conference rooms for weeks on end. We know our clients have organizations to run, so our interactions have purpose. To assist with communications when we are not onsite, we utilize tools such as Microsoft Teams, which allow for two-way screen sharing and video. We've found this helps minimize disruptions in our clients' environments while continuing to effectively communication with each other.

TeamMate Analytics and Expert Analyzer (TeamMate) – To analyze and understand large data sets, we use TeamMate Analytics and Expert Analyzer. We customize the application by industry in order to perform the most applicable procedures. This allows us to go beyond sampling and instead analyze the entire general ledger for targeted anomalies. Far beyond the audit application, our six-phase process of Risk Assessment, Data Analytics and Review (RADAR) can also provide actionable insights to help you understand your entity better.



Commitment to Communication with Management

As you will see, we are committed to ongoing communication throughout the engagement. Continual communication starts when an engagement letter is issued, continues until the completion or closeout of an engagement, and throughout the remainder of the year. We believe effective communication is critical to a successful engagement. This communication includes the exchange of ideas and advice as changes are considered or implemented by the entity or the accounting profession.

During the engagement we will hold regular status meetings with the City to enhance day-to-day operations, to communicate results, and to ensure that any issues are commonly understood and addressed. The objectives of tracking and formally reporting the engagement status are to:

- Provide a consistent technique for monitoring progress against plan
- Identify any issues quickly to allow for timely corrective action
- Provide an objective rather than subjective evaluation of status
- Provide timely information on a regular basis
- Assist with obtaining buy-in of any audit recommendations on a timely basis

Working remotely under special circumstances

CLA exists to create opportunities for our clients, our people, and our communities. For several years now we have fostered a remote culture throughout the firm understanding that flexibility to work remotely enables us to better serve our clients under a variety of circumstances. In fact, we had already implemented a number of tools, *before* the Covid-19 pandemic developed, such as **Assurance Information Exchange (AIE)** and **Microsoft® Teams**, which we utilize to provide seamless service to our clients.

As we continue to navigate these uncertain times, CLA will work with the District to determine the correct balance of in-person and remote field work to best meet the District's needs. If onsite work is performed, a senior supervising auditor will be on site for 100% of the time when procedures are performed, and the principals will be available throughout field work. Whether we are working with the District remotely or in person, CLA is committed to performing your audit services and meeting your deadlines.

c. Segmentation, timeline, and completion dates

An important distinction between CLA and other firms is the amount of principal and manager involvement in the engagement. Because our principals and managers are directly involved in the engagement during fieldwork, we can proactively identify significant issues immediately and resolve them with management so that the engagement is essentially complete when fieldwork ends.

We expect that the majority of our audit hours will be concentrated in the high-risk audit areas. Our approach is not to overwork every account with extensive substantive testing. While substantive testing remains part of the process, we think out-of-the-box analytically, identify relationships and truly learn about your operations.

Assuming that the interim fieldwork commences in late May or early June and final fieldwork commencing in October, the following is an abbreviated suggested timeline and milestones to meet the deadlines listed in the RFP:



Audit Segment	Staff Level Responsible	Completed By
Phase 1 and 2		
Entrance conference	Principal / Manager	May 31
Preliminary risk assessment and initial audit plan	Principals / Manager	June 30
SEFA review & major program determination	Manager / Senior	December 15
Phase 3 (Interim Fieldwork)		
Understanding of the City's internal controls	Manager / Senior	June 30
Perform walkthroughs and internal control testing	Senior / Staff	June 30
Evaluate information system controls	Manager / Senior	June 30
Final risk assessment and comprehensive audit plan	Principal / Manager	June 30
Exit Conference to discuss interim fieldwork results	Principal/Manager	June 30
Single Audit major program internal control and compliance testing	Senior / Staff	January 31
Phase 4		
Financial Statement substantive testing and analytical procedures	Senior / Staff	November 15
Exit Conference to discuss final fieldwork results	Principal / Manager	November 15
Phase 5		
Drafting reports (, Management Letter, Single Audit, other deliverables) and required communications	Manager / Senior	November 30
Detailed review of work	Principal / Manager	November 15
Communications with management	Principal / Manager	November 15
Finalization of reports and required communications	Principal / Manager	December 10



Reports to be issued and due dates

We make a commitment to issue the reports by the due dates specified below with interim fieldwork in May/June and final fieldwork completed by November 15 for the June 30 year end audits

Reports for City of Santa Ana	Draft Report Due Date	Final Report Due Date
Independent Auditor's Report on City of Santa Ana Financial Audit	n/a	December 10
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and other matters based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	November 30	December 10
Communication to those in charge of governance (Audit Committee Letter)	November 30	December 10
Single Audit Report: Independent Auditors' Report on compliance for each major program and internal control over compliance required by Uniform Guidance, formerly OMB Circular A-133	February 15	February 28
Air Quality Improvement Fund (AQMD)	November 30	December 10
GANN Limit computation	November 30	December 10
Investment Policy Compliance Review	November 30	December 10
U.S. Department of Housing of Urban Development (HUD) Real Estate Assessment Center (REAC) submission attestation and review of HUD Financial Data Schedule (FDS) for the Housing Authority	n/a	February 28
Annual State Controller's Report	n/a	January 31
Measure X (Sales Tax) Compliance Report	November 30	December 10
Agreed-Upon-Procedures Report	TBD	TBD



d. Segmentation of hours

Proposed staffing plan and segmentation of the audit hours by principal and staff level are as follows:

Description of Services	Principal	Manager	Senior/ Associates	Admin	Total
City audit, including management and audit committee letters	50	100	610	10	770
Single Audit of Federal Grants	12	40	220	3	275
AQMD Audit of the Air Quality Improvement Fund	1	4	24	--	29
GANN Limit Review	--	1	8	--	9
Compliance Review of the City's Investment Policy	2	12	16	--	30
Preparation of the Santa Ana Housing Authority's Financial Data Schedule	2	4	--	--	6
Measure X – Agreed-Upon Procedures	4	8	36	2	50
Preparation of the City's State Controller's Report	--	8	40	--	48
Total Hours	71	177	954	15	1,217
Two Agreed-Upon Procedures Reviews, Annually (1)	8	18	108	4	138

(1) The hours for agreed-upon procedures are estimated and subject to negotiation once the scope of each agree-upon procedures are determined.

Proposed staffing plan and segmentation of audit hours by principal and staff level by phases are as follows:

Phases	Principal	Manager	Senior/ Associates	Admin	Total
City audit and related reports					
Phases 1 and 2	3	8	8	1	20
Phase 3	12	24	130	--	166
Phase 4	12	32	440	--	484
Phase 5	28	65	120	9	222
Measure X	4	8	36	2	50
Single Audit	12	40	220	3	275
Total Hours	71	177	954	15	1,217



5 Cost Proposal

a. Cost breakdown by contract year

City of Santa Ana

EXHIBIT B

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

The compensation for financial auditing and report preparation services to be provided in each fiscal year, in accordance with this agreement, is shown below:

Description of Services	FY 2020-21	FY 2021-22	Option Years	
			FY 2022-23	FY 2023-24
City audit, including management and audit committee letters	\$100,850	\$104,025	\$107,295	\$110,665
Single Audit of Federal Grants	38,480	39,635	40,825	42,050
AQMD Audit of the Air Quality Improvement Fund	3,475	3,580	3,690	3,800
GANN Limit Review	895	920	950	980
Compliance Review of the City's Investment Policy	4,550	4,685	4,825	4,970
Preparation of the Santa Ana Housing Authority's Financial Data Schedule	1,350	1,390	1,430	1,475
Measure X -Agreed-Upon Procedures	7,020	7,230	7,445	7,670
Preparation of the City's State Controller's Report	5,600	5,770	5,945	6,120
Two Agreed-Upon Procedures Reviews, Annually (1)	19,040	19,610	20,200	20,805
Maximum Not-to-Exceed Total Fee	\$181,260	\$186,845	\$192,605	\$198,535

(1) The hours and fees for the agreed-upon procedures are estimated and subject to negotiation once the scope of each agreed-upon procedures are determined.

The City, during the term of this agreement, may request that Consultant provide special services in accordance with the provisions of this agreement. If Consultant agrees to perform the special services, the Consultant's hourly fees to perform these services for the term of the agreement are as follows unless a lesser fee is agreed to in a separate agreement between the City and Consultant.

Title	FY 2020-21	FY 2021-22	Option Years	
			FY 2022-23	FY 2023-24
Partners	\$275	\$283	\$292	\$300
Managers	200	206	212	219
Supervisory Staff	150	155	159	164
Staff Auditor	100	103	106	109
Clerical	60	62	64	66

Expenses: All expenses incurred by the Consultant in performing the services in accordance with this agreement are included in the above annual fee quotes. These expenses include, but are not limited to: meals and lodging, transportation, communications, report preparation, word processing, and printing, and postage.

THIS FORM MUST BE COMPLETED AND INCLUDED WITH THE PROPOSAL.
PROPOSALS THAT DO NOT CONTAIN THIS FORM WILL BE CONSIDERED NONRESPONSIVE.



Our fees are based on the timely delivery of services provided, the experience of personnel assigned to the engagement, and our commitment to meeting your deadlines.

CLA understands the importance of providing our clients with value-added strategies. We propose to provide routine, proactive quarterly meetings — as part of our fee — that will allow us to review and discuss with you the impact of new accounting issues, as well as any other business issues you are facing and how they should be handled. This level and frequency of interaction will no doubt enable CLA to help you tackle challenges as they come up and take full advantage of every opportunity that presents itself.

We have found over the years that our clients don't like fee surprises. Neither do we. We commit to you, as we do all of our clients, that:

- We will be available for brief routine questions at no additional charge, a welcome investment in an on-going relationship.
- Like most firms, we are investing heavily in technology to enhance the client experience, protect our data environment, and deliver quality services. We believe our clients deserve clarity around our technology and client support fee, and we will continue to be transparent with our fee structure.
- Any additional charges not discussed in this proposal will be mutually agreed upon up front.
- We will always be candid and fair in our fee discussions, and we will avoid surprises.

b. Billing for supplemental services

It is not our policy or practice to bill our clients every time we receive a phone call. In the course of providing our services to you, we will regularly consult with you regarding accounting, financial reporting, and significant business issues. If a specific project is complex or requires significant time or resources, we will discuss the scope of the project and its fee with you first to make sure there are no surprises. While it is difficult to establish an exact policy for billing in these situations, we commit to discussing the request with you in advance of performing our services if we believe the time requirement to provide you the desired assistance is other than routine. We will discuss the scope of the project and our estimate to complete it prior to commencing work.

We have a 24 to 48-hour response policy to return calls and emails from our clients to provide effective and timely communication. If the person you need to talk to is not available at the time you call, we will contact him/her and have him/her get back to you. We have a number of qualified professionals on our staff who can provide you with timely and competent assistance.

Our last word on fees — we are committed to serving you. Therefore, if fees are a deciding factor in your selection of an accounting firm, we would appreciate the opportunity to discuss our audit plan. At CLA, it's more than just getting the job done.



6 Certifications

Attachment A: References, is submitted in this proposal under the following Section 7, References.

Attachments B through E: are submitted in this proposal under the Appendix.

Exhibit B: Schedule of Professional Fees and Expenses, is submitted hereinabove as part of Section 5, Cost Proposal as 5a. Cost breakdown by contract year.



7 References



CITY OF SANTA ANA

ATTACHMENT A

REFERENCES

List and describe fully the contracts performed by your firm which demonstrate your ability to provide the supplies, equipment or services included in the scope of the proposal specifications. Attach additional pages if required. The City reserves the right to contact each of the references listed for additional information regarding your firm's qualifications.

Reference

Customer Name: City of Glendale Contact Individual: Shu-Jun Li
Address: 141 North Glendale, Suite 346 Phone Number: 818-551-3048
Glendale, CA 91206 Facsimile Number: _____
Contract Amount: \$111,050 Year: 2020

Description of supplies, equipment, or services provided:

City, Electric and Water Enterprise Fund, ICIS and Single Audit,

Reference

Customer Name: City of Burbank Contact Individual: Dino Balos
Address: 275 East Olive Ave. Phone Number: 818-238-5518
Burbank, CA 91502 Facsimile Number: _____
Contract Amount: \$133,160 Year: 2020

Description of supplies, equipment, or services provided:

City, AQMD, Water and Utility Enterprise Fund, Measure P AUP, Investment Compliance AUP and Single Audit

Reference

Customer Name: City of Victorville Contact Individual: Bobby Magee
Address: 14343 Civic Dr. Phone Number: 760-955-5055
Victorville, CA 92392 Facsimile Number: _____
Contract Amount: \$135,680 Year: 2020

Description of supplies, equipment, or services provided:

City, Victorville Water District, and Southern California Logistics Airport Authority, Single audit

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8 Evidence of Financial Capacity

CLA is financially stable. As one of the largest certified public accounting and consulting firms in the nation, CLA prides itself on conducting its business in a fiscally responsible manner and has built a solid fiscal foundation. We proactively plan for fiscal challenges by monitoring operation costs, controlling expenditures, reviewing, and adjusting costs, and maintaining financial reserves. While recent turmoil in certain economic sectors has created challenging conditions for all businesses, CLA remains financially strong. CLA has annual revenues in excess of \$1.1 billion and employs more than 6,200 professionals at over 120 locations throughout the United States.

As a privately held company we do not provide financial information outside of the company. CLA is in good standing and maintains a D&B rating of 5A1.



9 Insurance

CliftonLarsonAllen LLP carries commercially reasonable amounts of general liability and malpractice (aka professional liability) insurance. If requested, the firm will provide a certificate of coverage for an amount specified by the City upon being engaged.

Use of subcontractor

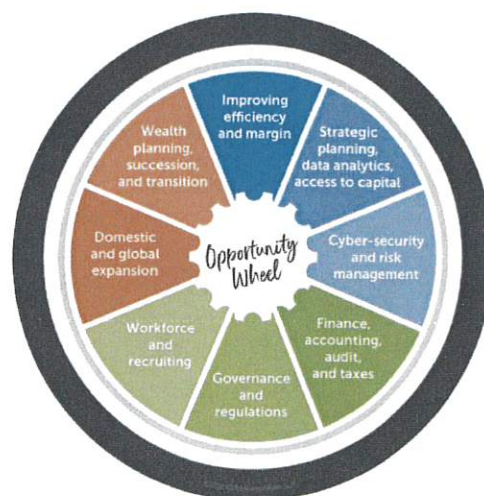
We do not anticipate using any subcontractor, association, or affiliate member firm personnel on your engagement.

Additional Information

Additional services

In addition to the services outlined in this proposal, CLA collectively offers a wide breadth of highly customized services and capabilities to meet our clients' wants and needs, including a sampling of the following:

- ACA Reporting
- Financial statement and forensic audits
- Fraud risk assessment and investigations
- Implementation assistance for complex accounting standards
- Internal audit, risk assessments, and evaluations
- IT security and network vulnerability assessments
- Operational and financial systems consulting
- Operations and performance improvement
- Organizational and financial health assessment
- Outsourced accounting and public administration
- Self-insured medical and PBM claim audits
- Strategic, business, and capital planning
- Strategic, financial, and operational consulting
- Training and educational seminars
- Telecom cost savings assessments



We pride ourselves on taking the initiative to meet each and every need of our clients, and therefore are always prepared to take on additional projects. However, independence is our first concern when providing additional services. Independence can easily become impaired when providing consulting services; therefore, we do not provide any services to our audit clients beyond those allowed.

If additional work is requested by the City outside of the scope of the audit, we will discuss with you our proposed fee for additional services prior to beginning the new services.



Appendix

Engagement team biographies



Daphnie Munoz, CPA

CLA (CliftonLarsonAllen LLP)

Audit and Assurance Principal
Irvine, California

714-795-5474
daphnie.munoz@CLAconnect.com



Profile

Daphnie is an assurance principal at our CLA's Irvine office, formerly White Nelson Diehl Evans LLP (WNDE). She joined the White Nelson Diehl Evans LLP in 1998. She earned her CPA designation in 2001 and became an Audit and Assurance Principal in 2011.

A key figure in the firm's Government Audit Practice, Daphnie works closely with Government entities to provide thorough attestation services, including single audits. She has extensive experience with a wide range of local government related audit engagements, including cities, successor agencies/redevelopment agencies, federal grants, special districts, compliance audits and agreed-upon procedures engagements. Daphnie lives in Fullerton with her husband Joe, and their two sons. In her free time, she enjoys spending time with her family.

Technical, service, and industry experience

- Government entities, including nonprofits and special districts

Education and professional involvement

- Bachelor of science in accounting from De La Salle University, Manila
- Certified Public Accountant in the state of California
- American Institute of Certified Public Accountants (AICPA), member
- California Society of Certified Public Accountants (CalCPA), member
- California Society of Municipal Finance Officers (CSMFO), member
- Government Finance Officers Association (GFOA), member

Local government experience

Cities:

- | | | | |
|------------|------------|---------------|------------------------|
| • Cerritos | • Filmore | • Lake Forest | • Palos Verdes Estates |
| • Colton | • Glendale | • Lancaster | • Pico Rivera |
| • Del Mar | • Hesperia | • Murrieta | • Torrance |

Special Districts:

- | | |
|---|--|
| • El Toro Water District | • Rancho Santa Fe Community Services District |
| • Fairbanks Community Services District | • Valley Wide Recreation and Park District |
| • Grossmont Healthcare District | • Vista Irrigation District |
| • Heber Public Utilities District | • Whispering Palms Community Services District |
| • Midway City Sanitary District | • Yorba Linda Water District |
| • Placentia Library District | |



Kassie Radermacher, CPA, CFE

CLA (CliftonLarsonAllen LLP)

Principal
Irvine, California

714-795-5382
kassie.radermacher@CLAconnect.com



Profile

Kassie is a principal at CLA's Irvine office, formerly White Nelson Diehl Evans (WNDE). She has been practicing public accounting since 2005 and joined the firm in 2009 where she currently serves in the audit department. She is skilled in performing all phases of local governmental audits including cities, special districts, successor/redevelopment agencies, single audit of federal grants, compliance audits and agreed-upon procedures engagements. As an audit and assurance principal, Kassie is involved with planning the audit, performing fieldwork for all aspects of the audit, supervising staff accountants and preparing financial statements.

Technical experience

- Local government, including cities and special districts

Education and professional involvement

- Bachelor's degree in forensic science with an emphasis in crime scene analysis from West Virginia University
- Master of professional accountancy from West Virginia University
- Certified Public Accountant in the states of California and Virginia
- Certified Fraud Examiner
- American Institute of Certified Public Accountants (AICPA), member
- Association of Certified Fraud Examiner, member
- California Society of Municipal Finance Officers (CSMFO), member
- California Society of Certified Public Accountants (CalCPA), member

Local government experience

Cities:

- La Cañada Flintridge
- San Juan Capistrano
- Stanton
- West Hollywood
- Laguna Hills
- Laguna Beach
- Santa Ana
- Victorville
- Westminster

Special Districts:

- Casitas Municipal Water District
- Mesa Water District
- Midway City Sanitary District
- Orange County Mosquito & Vector Control District
- Orange County Water District
- Public Cable Television Authority
- Serrano Water District
- Western Municipal Water District
- Western Riverside County Regional Wastewater Authority
- Westside Cities Council of Governments
- Yorba Linda Water District



Robert Perl, CPA

CLA (CliftonLarsonAllen LLP)

Manager
Irvine, California

714-795-5458
rob.perl@CLAconnect.com



Profile

Rob is an assurance manager at CLA's Irvine office, formerly White Nelson Diehl Evans (WNDE). He has more than 14 years of experience in performing audits and consultations for government agencies and non-profit organizations, including single audits. He is also well versed in data analytics and cybersecurity for finance and accounting. His diverse client base includes organizations in the non-profit, governmental, financial services, manufacturing, distribution, and agriculture industries.

Technical experience

- Local government agencies, including cities, nonprofits, and special districts
- Financial services
- Manufacturing and distribution
- Agriculture
- Data analytics
- Cybersecurity for finance and accounting

Education and professional involvement

- Bachelor of accounting from Brigham Young University, Laie, Hawaii
- American Institute of Certified Public Accountants (AICPA), member
- California Society of Certified Public Accountants (CalCPA), member

Local government experience

Cities:

- Burbank
- Lancaster
- Santa Ana
- Gilroy
- Murrieta
- Victorville

Special District:

- Monterey Peninsula Regional Park District

Additionally, Mr. Perl also served as the senior audit manager on the following nonprofit audits during 2019:

Nonprofit Entities:

- Catholic Charities of Orange County, Inc.
- United Cerebral Palsy Association of Orange County
- Child Abuse Prevention Center
- Orange County Council, Boy Scouts of America
- YMCA of Orange County



Nicole Racine, CPA

CLA (CliftonLarsonAllen LLP)

Senior
Irvine, California

714-795-5357
nicole.racine@CLAconnect.com



Profile

Racine is a senior at CLA's Irvine office, formerly White Nelson Diehl Evans (WNDE). She has been with the firm since 2017. Racine has performed all phases of audits including cities, single audit of federal grants, special districts, compliance audits, and agreed-upon procedures engagements. She has been involved with planning the audit, performing fieldwork for all aspects of the audit, and preparing financial statements.

Technical experience

- Local government, including cities and special districts

Education and professional involvement

- Bachelor of art from California State University, Fullerton
- Certified Public Accountant in the state of California
- American Institute of Certified Public Accounts (AICPA), member
- California Society of Certified Public Accountants (CalCPA), member

Local government experience

Cities:

- Chino
- Del Mar
- Monterey Park
- Palos Verdes Estates
- Tustin

Special Districts:

- Coachella Valley Water District
- Laguna Beach County Water District



James P. Kreiser, CISA, CRMA CFSA

CLA (CliftonLarsonAllen LLP)

Principal, Business Risk and IT Services
Harrisburg, Pennsylvania

Phone 717-558-0860
james.kreiser@CLAconnect.com



Profile

Jim is a principal in the CliftonLarsonAllen LLP (CLA) specialized advisory services group. He has 22 years of professional services experience in providing consulting and advisory services. Jim spent 10 years of his experience working at a Big 4 firm in their business risk and technical risk services groups. His experience also includes internal audit roles at CitiBank, AMP, and Capital BlueCross. Jim has held roles of chief risk officer, general auditor, and others. His focus has primarily been in the governmental sector, health care, and financial institutions. At CLA, Jim has focused on clients particularly on consulting, IT, internal audit, and third-party reporting services.

Some of the key clients Jim has focused on include the Pennsylvania State System of Higher Education, Commonwealth of Pennsylvania, State of Rhode Island, Maryland Department of Budget and Management, West Virginia Higher Education Policy Commission, State of Delaware, Haverford College, California Housing Finance Agency, Washington State Department of Transportation, Maryland Transportation Authority, and many others.

Technical experience

Jim's experience includes managing and leading projects, which include engagements related to outsourced and co-sourced internal auditing, IT audit, third-party reviews and performance audits, enterprise risk management processes, IT security and auditing services, SSAE 16 reporting (SOC 1 and SOC2), operational improvements, process solutions and implementation for those solutions across the organization.

His primary focus for the firm is in the Public Sector Group (State and Local Government, Higher Education, and Non-Profit organizations).

His service experience is business risk, IT, and internal audit services. Specific experience includes, but is not limited to, the following:

- Internal audit outsourcing and co-sourcing, including information technology, financial, performance audits, and operational audits.
- IT security and risk consulting
- Enterprise-wide risk assessments.
- IIA Quality Assurance Reviews (QAR)
- Vendor management and Implementation Assessment
- Compliance related activities and benchmarking
- Presentations and Training; including speaking at various conferences/professional organizations on IT controls, Security, ERM, and third-party reporting, and risk management.



Education and professional involvement

- Bachelor of science, Carnegie Mellon University – Pittsburgh, Pennsylvania
 - BS of managerial economics
 - BS of philosophy
- Certified Information Systems Auditor
- Certified in Risk Management Assurance
- Certified Financial Services Auditor

CLAAconnect.com

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.



Attachments B through E





CITY OF SANTA ANA

ATTACHMENT B

PROPOSER'S STATEMENT

Proposer understands and agrees that this written RFP (or any part thereof specifically designated and accepted by the City of Santa Ana, hereinafter City) shall constitute the entire agreement between proposer and the City only after it has been accepted by the City Council, endorsed by the Clerk of the Council with her signature and official seal noting hereon the action of approval of the Council, signed by the Executive Director or his duly authorized agent, and signed by the City Attorney, denoting his approval of the form of this document, and its execution, and when it or an exact copy of it has been either delivered to proposer or deposited with the United States Postal Service properly addressed to the proposer with the correct postage affixed thereto.

Proposer further agrees that upon delivery (as defined above) of the accepted agreement he/she will furnish City all required bonds and certificate of liability insurance within ten (10) days (excluding Saturdays, Sundays and City's legal holidays), or the funds, check, draft, or proposer's bond substituted in lieu thereof accompanying this proposal shall become the property of the City and shall be considered as payment of damages due to the delay and other causes suffered by City because of the failure to furnish the necessary bonds and because it is distinctly agreed that the proof of damages actually suffered by City is difficult to ascertain; otherwise said funds, check drafts, or proposer's bond substituted in lieu thereof shall be returned to the undersigned.

Proposer understands that a proposal is required for the entire work, that the estimated quantities set forth in the RFP schedule are solely for the purpose of comparing proposals, and that final compensation under the contract will be based upon the actual quantities of work satisfactorily completed.

All terms contained in the specifications, the certification of nondiscrimination by contractors, and the required insurance certificates are to be incorporated by reference into this agreement and are made specifically as part of this RFP.

Firm CliftonLarsonAllen LLP

Signed and Printed Name: _____

Daphne Munoz

Daphne Munoz, CPA

Title Principal

Date March 15, 2021

**THIS FORM MUST BE COMPLETED AND INCLUDED WITH THE PROPOSAL.
PROPOSALS THAT DO NOT CONTAIN THIS FORM WILL BE CONSIDERED NONRESPONSIVE.**





CITY OF SANTA ANA

ATTACHMENT D

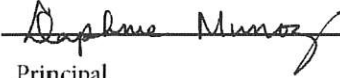
NON-LOBBYING CERTIFICATION

The prospective participant certifies, by signing and submitting this bid or proposal, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in conformance with its instructions.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The prospective participant also agrees by submitting his or her bid or proposal that he or she shall require that the language of this certification be included in all lower tier subcontracts, which exceed \$100,000 and that all such subrecipients shall certify and disclose accordingly.

Signed: 
Title: Principal
Firm: CliftonLarsonAllen LLP
Date: March 15, 2021

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CITY OF SANTA ANA

ATTACHMENT E

NON-DISCRIMINATION CERTIFICATION

The undersigned consultant or corporate officer, during the performance of this contract, certifies as follows:

1. The Consultant shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Consultant shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Consultant agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.
2. The Consultant shall, in all solicitations or advertisements for employees placed by or on behalf of the Consultant, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.
3. The Consultant shall send to each labor union or representative of workers with which he/she has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the Consultant's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
4. The Consultant shall comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
5. The Consultant shall furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his/her books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation, to ascertain compliance with such rules, regulations, and orders.
6. In the event of the Consultant's non-compliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, the contract may be canceled, terminated, or suspended in whole or in part and the Consultant may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulations, or order of the Secretary of Labor, or as otherwise provided by law.





CITY OF SANTA ANA

7. The Consultant shall include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontract or purchase order as the administering agency may direct as means of enforcing such provisions, including sanctions for noncompliance; provided, however, that in the event the Consultant becomes involved in, or is threatened with, litigation with a subconsultant or vendor as a result of such direction by the administering agency, the Consultant may request that the United States enter into such litigation to protect the interests of the United States.
8. Pursuant to California Labor Code Section 1735, as added by Chapter 643 Stats. 1939, and as amended, no discrimination shall be made in the employment of persons upon public works because of race, religious creed, color, national origin, ancestry, physical handicaps, mental condition, marital status, or sex of such persons, except as provided in Section 1420, and any consultant of public works violating this Section is subject to all the penalties imposed for a violation of the Chapter.

Signed: Daphne Munoz
Title: Principal
Firm: CliftonLarsonAllen LLP
Date: March 15, 2021

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PROPOSALS THAT DO NOT CONTAIN THIS FORM WILL BE CONSIDERED NONRESPONSIVE.**



Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC,
an SEC-registered investment advisor. | CliftonLarsonAllen LLP

