



City of Needles, California Request for Council Action

☐ CITY COUNCIL ☒ NPUA ☐ BOARD OF PUBLIC UTILITIES
☒ Regular ☐ Special

Meeting Date: August 8, 2023

Title: NPUA Audit RFP

Background: In June 2023, City staff sent out Request for Proposals (RFP) for professional auditing services for the NPUA audit for FY 23, and thereafter to the following companies:

1)	LSL CPAs and Advisors	Sacramento, CA
2)	Davis Farr LLP	Irvine, CA
3)	Maze & Associates	Pleasant Hill, CA
4)	Rogers, Anderson, Malody & Scott	San Bernardino, CA
5)	The Pun Group, LLP	Santa Ana, CA
6)	Mann Urrutia Nelson CPAs	Sacramento, CA
7)	Eadie & Payne	Riverside, CA
8)	Vasquez & Company LLP	Glendale, CA
9)	Borchardt, Corona & Faeth Accountancy Corp.	Fresno, CA
10)	Sroka & Co. CPAs	Irvine, CA
11)	MGO CPA	Los Angeles, CA
12)	Eide Bailly, LLP	Las Vegas, NV
13)	Burger & Comer	Saipan, MP

Advertising was also published in the local newspaper, on PlanetBids and posted on the City's website. The proposal period closed on July 25, 2023 and the following one bid was received:

1)	Vasquez & Company LLP	Glendale, CA	\$35,353 for FY 23 \$36,414 for FY 24
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Recommendation: Award of contract to Vasquez & Company LLP for professional auditing services to perform the FY 23 & FY 24 NPUA audit

Fiscal Impact: \$35,353 for FY 23 and \$36,414 for FY 24

Submitted By: Barbara DiLeo, Finance Department

City Management Review: Peter J. [Signature] for RD **Date:** 8/12/2023

Approved: ☐ Not Approved: ☐ Tabled: ☐ Other: ☐

Agenda Item: 5

Technical Proposal for
Professional Audit Services

City of Needles
Needles Public Utility Authority
(NPUA)

Submitted by:

Roger A. Martinez
Partner, Audit Practice Leader
655 N. Central Avenue, Suite 1550
Glendale, CA 91203
Tel: (213) 873-1703
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July 25, 2023



Member of the
RSM US Alliance



RSM

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Transmittal Letter

July 25, 2023

City of Needles

Needles Public Utility Authority (NPUA)

817 3rd Street,
Needles, CA 92363

RE: Vasquez Technical Proposal to Provide Professional Audit Services to the City of Needles' Needles Public Utility Authority (NPUA).

Vasquez & Company LLP (Vasquez) appreciates the opportunity to respond to the Needles Public Utility Authority (NPUA) request for proposal to audit its financial statements for 2 years beginning with the fiscal year ending June 30, 2023, with the option to extend the agreement for two additional 2-year terms. Our understanding of the engagement and key aspects of our firm which distinguish us from our competitors are summarized in this letter.

Firm's Understanding

- Perform an audit and render an auditor's report on the Basic Financial Statements of NPUA in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States and the Minimum Audit Requirements for California Special Districts.
 - As part of our audit, we will render a report on the basic financial statements and also apply limited audit procedures to Management's Discussion and Analysis (MD&A) and required supplementary information pertaining to NPUA.
 - We will render an auditor's report on NPUA's internal control over financial reporting and on compliance with relevant laws and regulations and other matters based on our audit of the financial statements.
- Prepare and file the NPUA Special Districts Financial Report to the State Controller's Office.
- Issue a Management Letter addressed to the Board of Directors and City Manager that includes recommendations for improvements in internal control, accounting procedures, and other significant observations that are considered to be non-reportable conditions.
- Provide guidance on the implementation of new accounting standards issued by the Governmental Accounting Standards Board (GASB) and specifics of Federal and State of California regulations as they pertain to local government accounting.
- Be available to perform additional work as requested by NPUA.



Upon request and specifically at the conclusion of our audit, we will be pleased to make a presentation to the Board of Public Utilities for the City of Needles and NPUA, during which we will discuss our audit approach, scope and results. We pride ourselves on our ability to convey complex information in an informative fashion, free of bias, such that Management and the Board of Public Utilities can evaluate the significance of the information and determine action plans as may be appropriate.

Why Vasquez?

We believe Vasquez is the best choice for NPUA for the following reasons:

- Partners/managers with international accounting experience will be lead the delivery of our services for this external audit,
- Extensive experience with water, utilities and other government agencies, having served 100 municipalities over the past 10 years,
- One of the largest government practices in Los Angeles County with the added resources of the RSM US Alliance (fifth largest accounting firm in the nation), with access to national resources that could be accessed in our service to NPUA.
- We are familiar with NPUA's operations because we were your former external auditors for a number of years until the fiscal year ended June 30, 2019.

Vasquez is committed to providing NPUA with the highest level of customer service and trust that you will find Vasquez well qualified to provide NPUA with professional auditing services. This proposal is a firm and irrevocable offer for the period covered. Should you have any questions or desire further assistance, please call me at the contact information below. I, Roger A. Martinez, Partner, Audit Practice Leader with Vasquez & Company LLP, am authorized to negotiate and bind the firm to contract.

VASQUEZ & COMPANY LLP

Roger A. Martinez
Partner, Audit Practice Leader
655 N Central Avenue, Suite 1550
Glendale, CA 91203
t) 213-873-1703
f) 213-873-1777
e) ram@vasquezcpa.com

Independence

Vasquez meets the independence requirements of the auditing standards generally accepted in the United States of America and the *Government Auditing Standards*, published by the United States General Accounting Office ("Yellow Book") as it relates to the NPUA and its component units.

Independence Policies and Monitoring Programs

One of the primary objectives of our system of quality control is to provide reasonable assurance that our firm and personnel comply with relevant ethical requirements when discharging professional responsibilities. Relevant ethical requirements include independence, integrity and objectivity.

Our firm satisfies this objective by establishing and maintaining policies and enforcing specific procedures relative to the following:

- Personnel adherence to relevant ethical requirements such as those in regulations, interpretations and rules of the AICPA, Securities and Exchange Commission, Department of Labor, Public Company Accounting Oversight Board, U.S. Government Accountability Office, state CPA societies, state boards of accountancy, state statutes and any other applicable regulators.
- Communicating independence requirements to firm personnel and, where applicable, others subject to them.
- Identifying and evaluating possible threats to independence and objectivity, including the familiarity threat that may be created by using the same senior personnel on an audit or attest engagement over a long period of time, and to take appropriate action to eliminate those threats or reduce them to an acceptable level by applying safeguards.
- Withdrawing from engagements if effective safeguards to reduce threats to independence to an acceptable level cannot be applied.
- Written confirmation, at least annually, of compliance with policies and procedures on independence from all firm personnel required to be independent by relevant requirements.
- Confirming the independence of another firm or firm personnel in associated member firms who perform part of an engagement.
- Rotating personnel for audit or attest engagements where regulatory or other authorities require such rotation after a specified period.
- Advising acquired practice units of our policies related to independence, integrity and objectivity.

Firm Qualifications and Experience

Vasquez was established in 1969 as a Limited Liability Partnership registered with the State of California Department of Consumer Affairs.

Experienced Leaders:

- Roger Martinez, Vasquez Audit Practice Leader and former KPMG office of professional practice partner dealing with complex audit, accounting and risk management issues at a national level will lead our delivery of services to NPUA.
- Cristy Canieda, Vasquez Partner, formerly with PwC, will act as the engagement quality control reviewer and provide an objective evaluation of the significant judgments the engagement team made and the conclusions it reached in formulating the auditor's report.

National Resources:

- As part of the RSM US Alliance we have access to the resources, tools and expertise of RSM US LLP (the fifth largest accounting firm in the United States).

Anticipating Your Needs:

- Our professionals, with extensive experience in performing financial and compliance audits of utility agencies in California will bring an unbiased, fresh perspective to NPUA's systems, operations and practices.
- Our experience will allow us to assess your risk and compare your existing policies and practices to those used by other efficient, reputable agencies. We will focus on the critical areas to your operations.

Communication with NPUA:

- We will hold regularly scheduled status meetings to keep you abreast of our progress.
- We will provide you meaningful status reports.
- We will take a proactive approach to developing effective solutions to identified challenges.
- Team members, including the engagement partner and quality control partner will be available to you on a year-round basis.

Addressing Critical Accounting Matters:

Recognizing that your interests are best served by highly qualified, knowledgeable and trained accountants and auditors, we offer our staff and our clients:

- Frequent training in current technical matters and subjects of importance to the finance, accounting and auditing aspects of local governments such as new GASB and Statement on Auditing Standards (SAS) requirements.
- Specifics of Federal and State of California regulations as they pertain to local government accounting, reporting and compliance.

Timeliness:

- We understand and appreciate the importance of adhering to agreed-upon timelines and meeting deadlines.
- We structure our audit approach to recognize issues early, plan for the orderly completion of our work and avoid end-of-the-audit surprises. As such, we commit to perform the work within the required time period.

New GASB Pronouncement Experience:

- Our team has assisted our clients in the adoption of applicable GASB statements.
- Our firm assists clients in assessing their readiness to implement the new standards as well as guiding them through the actual implementation.

Providing an Effective and Efficient Audit:

- Our risk-based approach, our high caliber management team, and our experienced staff ensures that critical issues are not overlooked, but instead are promptly identified, communicated to you and resolved to NPUA's satisfaction.

Personnel Resources

Since its inception, Vasquez has focused on serving governmental entities. As a result, the government industry comprises the largest portion of the industries we serve today.

Partners	7
Directors	7
Sr. Managers /Managers	22
Supervisors	25
Senior Auditors	65
Staff Auditors	124
Professionals	250
Administrators	30
Total	280

National Resources

Vasquez is an integral part of the RSM US Alliance, a premiere affiliation of independent accounting and consulting firms in the United States, with more than 75 members in over 38 states, the Cayman Islands and Puerto Rico. This affiliation gives us access to a full range of national and international capabilities. As a member of the RSM US Alliance, Vasquez has access to the resources and services RSM provides its own clients. We accepted an invitation to become a member of the RSM US Alliance because it is a natural fit with our commitment to our clients and our determination to stay at the forefront of developments affecting accounting and consulting firms today.

RSM US Alliance provides its members with access to resources of RSM US LLP (formerly known as RSM US LLP), the leading provider of audit, tax and consulting services focused on the middle market, with more than 8,000 people in 80 offices nationwide. RSM US LLP (RSM) is a licensed CPA firm and the U.S. member of RSM International, a global network of independent audit, tax and consulting firms with more than 37,500 people over 110 countries. RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM.



Government Practice Group

The Vasquez Government Practice Group comprises 200+ professionals trained and experienced in serving government entities, specializing in California cities, municipal water, transportation, education, and other special districts.

The Vasquez Government Practice Group are professionals from international accounting firms seeking to focus on their chosen industry – mainly government and nonprofit – and work with greater autonomy in a progressive, agile, client-centric environment. The Vasquez leadership consists of eight (8) partners, each previously working with one or more global accounting firms. This experience emphasizes quality, innovation, performance standards, opportunity, discipline, and professional growth.

Office Locations

We will serve the NPUA from our headquarters based in Glendale:

<u>Headquarters</u> 655 N. Central Avenue, Suite 1550 Glendale, CA 91203 t) 213-873-1700 f) 213-873-1777	<u>Fresno</u> 1444 Fulton Street Fresno, CA 93721 t) 559-663-0213	<u>Irvine</u> 7545 Irvine Center Dr., Suite 200 Irvine, CA 92618 t) 949-623-8798	<u>Las Vegas</u> 3753 Howard Hughes Parkway Paradise, Unit 200 Las Vegas, NV 89169 t) 702-784-7644
<u>Manila</u> 29F Rufino Tower 6784 Ayala Avenue Makati City, 1226 Philippines	<u>Phoenix</u> Two North Central Avenue, Suite 1800 Phoenix, AZ 85004 t) 602-759-7319	<u>Sacramento</u> 1215 K Street 17 th Floor Sacramento, CA 95814 t) 916-503-3269 f) 916-503-2401	<u>San Diego</u> 333 H Street Suite 5000 Chula Vista, CA 91910 t) 619-254-6605 f) 213-873-1777

Government and Utility Clients

Vasquez performs numerous financial and compliance audits of governmental organizations. These audits include risk assessments conducted pursuant to a structured approach based on the standards outlined in the COSO Principles.

Our audits are performed in accordance with auditing standards generally accepted in the United States, Government Auditing Standards, OMB Uniform Guidance, and the Office of the State Controller's Minimum Audit Requirements and Reporting Guidelines for California Special Districts (when applicable).

Clients		
City of Agoura Hills	City of Hawthorne	City of South Gate
City of Alhambra	City of Hidden Hills	City of Torrance
City of Antelope Valley	City of Huntington Park	City of Vernon
City of Arcadia	City of Industry	City of Walnut
City of Avalon	City of Inglewood	City of West Hollywood
City of Artesia	City of Irwindale	Alameda Corridor-East Construction Authority
City of Azusa	City of La Puente	Encina Wastewater Authority
City of Baldwin Park	City of Lawndale	Hidden Valley Municipal Water District

Clients		
City of Bell	City of Long Beach	Los Angeles County Metropolitan Transportation Authority
City of Beverly Hills	City of Lynwood	Metropolitan Water District of Southern California
City of Bradbury	City of Malibu	Municipal Water District of Orange County
City of Burbank	City of Maywood	Needles Public Utility Authority
City of Calabasas	City of Montebello	Plumas County Transportation Commission
City of Carson	City of Monterey Park	Port of Long Beach
City of Claremont	City of Moreno Valley	San Gabriel Basin Water Quality Authority
City of Commerce	City of Norwalk	San Gabriel Valley Council of Governments
City of Compton	City of Palos Verdes Estates	San Joaquin Regional Transit District
City of Covina	City of Pico Rivera	Southern California Association of Governments
City of Cudahy	City of Pomona	Southern California Regional Rail Authority
City of Culver City	City of Rosemead	SunLine Transit Agency
City of Diamond Bar	City of San Fernando	United Water Conservation District
City of Downey	City of Santa Monica	Upper San Gabriel Valley Municipal Water District
City of El Monte	City of Simi Valley	Victor Valley Wastewater Reclamation Authority
City of Gardena	City of South El Monte	Water Replenishment District of Southern California

Quality Control

Vasquez has an extensive quality control program designed to monitor compliance with the audit and accounting professional standards and firm policies. Our client service approach requires the active involvement of experienced partners and managers in the consulting and audit engagements to make sure that critical issues are identified and resolved on a timely basis.

Review Process

All audit engagements are required to have a secondary review by either a report review specialist or a concurring reviewer. Before the reports, the financial statements and any letter communicating reportable conditions and other letters are released, they must be reviewed by a report review specialist not otherwise associated with the engagement. The report review specialist's role is supportive to that of the partner and, organizationally, they are responsible for one or more offices.

Prior to commencement of fieldwork and as the engagement progresses toward completion, the report review specialist is expected to aid the partner and the audit team in resolving difficult accounting, auditing and reporting issues. Upon completion of the partner review and before release of the report, the report review specialist must review the financial statements, our report thereon, and the letter communicating reportable control structure conditions and any other special reports or letters to be issued.

The audit plan should be reviewed and concurred with by a concurring reviewer designated for the industry prior to commencement of fieldwork if the industry is designated as "high risk" by firm policy or when engagement risk is otherwise assessed as high and the engagement is a first-time audit for the firm. If a concurring review is performed during planning, this reviewer will also perform a review of all of the firm's reports, as well as discussing significant audit findings and issues with the engagement partner.

Independence Policies and Monitoring Programs

One of the objectives of our system of quality control is to provide reasonable assurance that our firm and personnel comply with relevant ethical requirements when discharging professional responsibilities. Relevant ethical requirements include independence, integrity and objectivity.

Our firm satisfies this objective by establishing and maintaining policies and enforcing specific procedures relative to the following:

- Personnel adherence to relevant ethical requirements such as those in regulations, interpretations and rules of the AICPA, Securities and Exchange Commission, Department of Labor, Public Company Accounting Oversight Board, U.S. Government Accountability Office, state CPA societies, state boards of accountancy, state statutes and any other applicable regulators.
- Communicating independence requirements to firm personnel and, where applicable, others subject to them.
- Identifying and evaluating possible threats to independence and objectivity, including the familiarity threat that may be created by using the same senior personnel on an audit or attest engagement over a long period of time, and to take appropriate action to eliminate those threats or reduce them to an acceptable level by applying safeguards.
- Withdrawing from engagements if effective safeguards to reduce threats to independence to an acceptable level cannot be applied.
- Written confirmation, at least annually, of compliance with policies and procedures on independence from all firm personnel required to be independent by relevant requirements.
- Confirming the independence of another firm or firm personnel in associated member firm who perform part of an engagement.
- Rotating personnel for audit or attest engagements where regulatory or other authorities require such rotation after a specified period.
- Advising acquired practice units of our policies related to independence, integrity and objectivity.

Performance Monitoring and Assessment

The objective of the engagement performance element of our quality control is to provide reasonable assurance that:

- Engagements are consistently performed in accordance with applicable professional standards and regulatory and legal requirements
- Our firm or engagement partner issues reports that are appropriate in the circumstances

Policies and procedures for engagement performance address all phases of the design and execution of the engagement, including engagement performance, supervision responsibilities and review responsibilities. Policies and procedures require that consultation takes place when appropriate. Also, our firm has established criteria against which all engagements are to be evaluated to determine whether an engagement quality control review should be performed.

We satisfy the above objectives by establishing and maintaining the following policies and procedures:

- Planning for engagements meets professional, regulatory and firm requirements.
- Qualified engagement team members review work performed by other team members on a timely basis.
- Vasquez establishes procedures addressing the nature, timing, extent and documentation of the engagement quality control review.
- Vasquez establishes criteria for the eligibility of engagement quality control reviewers.
- Vasquez requires that consultation take place when appropriate; that sufficient and appropriate resources are available to enable appropriate consultation to take place; that all the relevant facts known to the engagement team are provided to those consulted; that the nature, scope and conclusions of such consultations are documented; and that conclusions resulting from such consultations are implemented.

Management follow-up procedure internally called "Voice of the Client" to set tone of "how we did" and "where can we improve".


Federal or State Desk or Field Reviews

Vasquez is proud of its record of quality professional service throughout its over 50-year history and state that our firm:

- Has never had any complaints filed against it with the California State Board of Accountancy for substandard work or for any other reason,
- Has never received a negative desk or field review from any of our clients' cognizant agencies regarding any of our audits.

Peer Review Report

Vasquez is a member of the American Institute of Certified Public Accountants (AICPA) Division of Firms and received a Peer Review Rating of "Pass" without comment - the highest rating from the AICPA on its peer review dated May 5, 2023. As a member of the AICPA Governmental Audit Quality Center (GAQC), this peer review covered several government engagements similar in size and complexity as the NPUA performed in accordance with Government Auditing Standards and Uniform Guidance. A copy of the peer review opinion follows:



May 05, 2023

Gilbert Vasquez
Vasquez & Company, LLP
600 N. Central Ave. Ste. 1050
Glendale, CA 91203

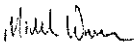
Dear Gilbert Vasquez:

It is my pleasure to notify you that on May 05, 2023, the National Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is December 31, 2025. This is the date by which all review documents should be completed and submitted to the administering entity.

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

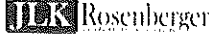
Thank you for your cooperation.

Sincerely,



Michael Wagner
Chair, National PCAOB
+1 510 401 4502

cc: James Dougherty, Roger Martinez
Firm Number: 556010129115 Review Number: 587308



Report on the System Review of the Firm

September 16, 2023

To: Gilbert Vasquez, Esq.
Vasquez & Company, LLP
600 N. Central Ave. Ste. 1050
Glendale, CA 91203

We have received the peer review report dated May 05, 2023, from the American Institute of Certified Public Accountants (AICPA) Division of Firms. The report contains the results of the peer review of your firm's performance in accordance with the AICPA's peer review standards. The report is dated May 05, 2023, and the review was conducted by the AICPA's peer review committee. The report is dated May 05, 2023, and the review was conducted by the AICPA's peer review committee. The report is dated May 05, 2023, and the review was conducted by the AICPA's peer review committee.

The review committee has determined that your firm's performance is in accordance with the AICPA's peer review standards. The review committee has determined that your firm's performance is in accordance with the AICPA's peer review standards. The review committee has determined that your firm's performance is in accordance with the AICPA's peer review standards.

Peer Review Rating: Pass

The review committee has determined that your firm's performance is in accordance with the AICPA's peer review standards. The review committee has determined that your firm's performance is in accordance with the AICPA's peer review standards. The review committee has determined that your firm's performance is in accordance with the AICPA's peer review standards.

Additional Information and Recommendations:

The review committee has determined that your firm's performance is in accordance with the AICPA's peer review standards. The review committee has determined that your firm's performance is in accordance with the AICPA's peer review standards. The review committee has determined that your firm's performance is in accordance with the AICPA's peer review standards.

Signatures:

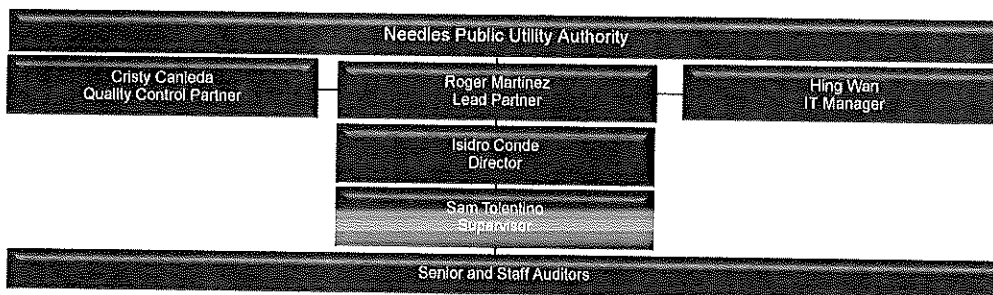
The review committee has determined that your firm's performance is in accordance with the AICPA's peer review standards. The review committee has determined that your firm's performance is in accordance with the AICPA's peer review standards. The review committee has determined that your firm's performance is in accordance with the AICPA's peer review standards.

JLK Rosenberg

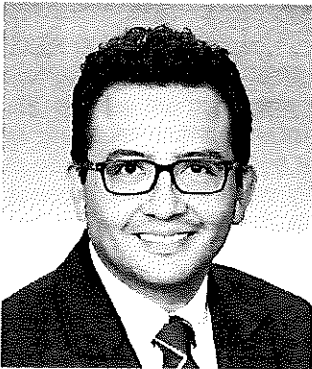
Partner, Supervisory and Staff Qualifications and Experience

Our team structure, staffing, service approach, communication and coordination are refined to fit the unique needs of NPUA. We staff our engagements with individuals focused on a dedicated industry because of their desire to make a positive impact with their careers, resulting in continuity of the team members you work with year after year.

Engagement Team



Team Member	Role
Roger A. Martinez, CPA Partner	<p>Roger Martinez, Vasquez Audit Practice Leader and former KPMG national office of professional practice partner dealing with complex audit, accounting and risk management issues at a national level will be responsible for planning and directing our services to NPUA. He will develop our audit strategy, provide on-site direction to our team, work closely with NPUA management and will be available throughout the year to ensure proactive issue identification and service delivery.</p>
Cristy Canieda, CPA, CGMA Partner	<p>Cristy Canieda, Vasquez Government Practice Leader, with over twenty (20) years of public accounting experience, will have the responsibility of technical reviewer for the engagement and work closely with the Lead Partner to review and evaluate the audit fieldwork and reports.</p> <p>Cristy oversees all the firm's municipal audit engagements and serves as a Technical Reviewer for the GFOA Certificate of Excellence in Financial Reporting Program.</p>
Isidro Conde, CPA Director	<p>Isidro Conde, Vasquez Director, with fifteen (15) years of public accounting and auditing experience, will work closely with the Lead Partner in planning, coordinating and reviewing the fieldwork for NPUA engagement. He will manage the day-to-day activities and task accomplishments, monitor progress, and ensure schedule compliance and proactive service delivery.</p>
Hing Wan, CISA IT Manager	<p>Hing Wan, Vasquez IT Manager with over ten (10) years of experience in IT consulting and auditing, will oversee audit procedures pertaining to the NPUA's financial systems and Information Technology.</p> <p>Hing's IT risk-based controls assessments approach for evaluating and testing internal controls provides added assurance to management and the Governing Board.</p>
Sam Tolentino Audit Supervisor	<p>Sam Tolentino, Vasquez Supervisor, will work closely with Vasquez management in planning and coordinating for NPUA engagement. He will perform audit fieldwork procedures and report preparation as well as provide guidance to audit staff in the field.</p>



ROGER A. MARTINEZ, CPA

Partner, Audit Practice Leader

Vasquez & Company LLP

Tel: 213-873-1703

Email: ram@vasquezcpa.com

Areas of Expertise

Roger's areas of expertise overseeing all aspects of financial and compliance audits including internal control reviews and Single Audits performed in accordance with Office of Management and Budget Uniform Guidance, program-specific audits, financial statement reviews, and forecasts to government agencies.

Representation of Experience

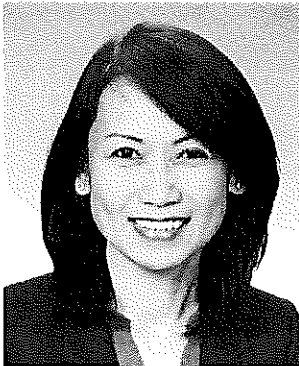
- City of Long Beach
- City of Vernon
- City of Adelanto
- City of Cudahy
- City of El Monte
- City of Huntington Park
- City of Norwalk
- City of La Puente
- University of California System
- Alameda Corridor – East Construction Authority
- Alameda Corridor Transportation Authority
- California State University System
- California State Teachers' Retirement System
- California State Treasurer's Office
- Los Angeles County Employees Retirement Association
- Los Angeles County Metropolitan Transportation Authority
- Los Angeles Unified School District
- Los Angeles Water and Power
- Los Angeles World Airports
- Los Angeles Community College District
- Metropolitan Water District of Southern California
- Port of Los Angeles
- San Gabriel Valley Council of Governments
- San Gabriel Basin Water Quality Authority
- San Joaquin Transit Agency
- Southern California Regional Rail Authority
- SunLine Transit Agency

Professional Background and Affiliations

Roger is a member of the American Institute of Certified Public Accountants, the California Society of Certified Public Accountants, the Los Angeles Chamber of Commerce, and the Association of Latino Professionals in Finance and Accounting. He has held many board memberships with private companies and nonprofit organizations. He is currently on the Advisory Board for the Salvation Army and Los Angeles County Medical Association.

Educational Background

Roger received his Bachelor of Arts, Major in Economics and Minor in Accounting from the University of California, Los Angeles. He remains current on accounting matters by attending conferences and continuing education courses applicable to governmental accounting and financial reporting, as well as federal and state regulatory matters and auditing requirements. He maintains compliance with the continuing education requirements of the AICPA and the California Board of Accountancy.



CRISTY A. CANIEDA, CPA, CGMA

Partner, Government Practice Leader

Vasquez & Company LLP

Tel: 213-873-1720

Email: ccanieda@vasquezcpa.com

Areas of Expertise

Cristy's areas of expertise include overseeing all aspects of financial and compliance audits including internal control reviews and Single Audits performed in accordance with Office of Management and Budget Federal Uniform Guidance, program specific audits, financial statement reviews, forecasts and projections to government agencies; preparation of comprehensive annual financial reports, State Controller's reports.

Prior Experience

- City of Baldwin Park
- City of Carson
- City of Culver City
- City of El Monte
- City of Hawthorne
- City of Huntington Park
- City of Long Beach
- City of Lynwood
- City of Montebello
- City of Moreno Valley
- City of Norwalk
- City of Pico Rivera
- City of Simi Valley
- City of Torrance
- City of West Hollywood
- Coachella Valley Association of Governments
- Community Development Commission of Los Angeles County
- Imperial County Local Transportation Authority
- Jurupa Community Special District
- La Habra Heights Water District
- La Puente Valley County Water District
- Los Angeles Community College District
- Los Angeles County Metropolitan Transportation Authority
- Orange County Water District
- Rancho California Water District
- San Gabriel Valley Council of Governments
- Southern California Association of Governments
- SunLine Transit Agency
- Upper San Gabriel Valley Municipal Water District
- Water Replenishment District of Southern California

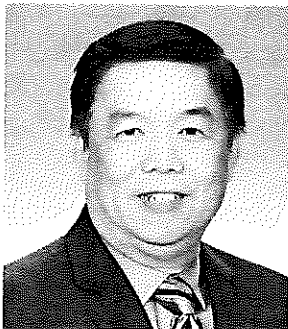
Professional Background and Affiliations

Cristy's professional background includes Diehl, Evans & Company and Audit Manager and Manager, Tech. Standards and Continuing Education with PwC. She is a Certified Public Accountant licensed to practice in the State of California.

Educational Background

Cristy received her Bachelor of Science in Accountancy and Associate in Government Auditing from Enverga University and her Master's in Business Administration from Ateneo Graduate School of Business. She remains current on accounting matters by attending conferences and continuing education courses which are heavily focused on subjects applicable to governmental accounting and financial reporting, as well as federal and state regulatory matters and auditing requirements. She maintains compliance with the continuing education requirements of the AICPA and the California Board of Accountancy.





ISIDRO CONDE, CPA

Audit Director

Vasquez & Company LLP

Tel: 213-873-1730

Email: cconde@vasquezcpa.com

Areas of Expertise

Cid's practice is in managing all aspects of financial and compliance audits including internal control reviews, Single Audits performed in accordance with Office of Management and Budget Uniform Guidance, program specific audits, financial statement reviews, forecasts and projections to government agencies; preparation of comprehensive annual financial reports and State Controller's reports.

Representation of Experience

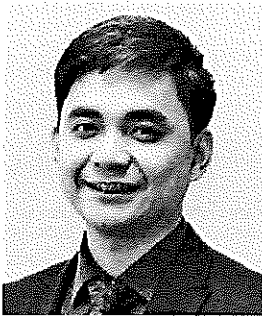
- City of Baldwin Park
- City of El Monte
- City of Huntington Park
- City of La Puente
- City of Montebello
- City of Norwalk
- City of Temple City
- City of Vernon
- City of Needles Public Utility Authority
- Los Angeles County Metropolitan Transportation Authority
- San Gabriel Valley Council of Governments
- SunLine Transit Agency
- Upper San Gabriel Metro Water District

Professional Background and Affiliations

Cid's professional background includes EY where his practice was focused on audit engagement planning, budgeting and preparing audit programs, draft financial statements, tax returns and management reports. Cid is a Certified Public Accountant licensed to practice in the State of California.

Educational Background

Cid received his Bachelors of Science in Commerce, major in Accounting, from the University of San Carlos. He remains current on accounting matters by attending conferences and continuing education courses on subjects applicable to governmental accounting and financial reporting, as well as federal and state regulatory matters and auditing requirements. He maintains compliance with the continuing education requirements of the AICPA and the California Board of Accountancy.



CHUN HING GEND WAN, CISA
IT Audit Manager

Area of Expertise

Hing's practice is focused on planning, operational audits and reviews of IT Enabled Business Transformation; Global & Regional Project/Program Management; Business Process and Systems Management/Optimization; Shared Services, Business Process Outsourcing; Activity Based Management; IT Governance, Risk and Compliance; Sarbanes – Oxley (SOX) 404; IT Audit and Controls; ERP Security and Controls; ERP Materials Management; Enterprise Information Architecture; Master Data Management; Business Intelligence; Resolution and Incident Management; Performance Metrics; Global & Regional Team Development & Management.

Representation of Experience

- City of Carson
- City of Culver
- City of Norwalk
- City of San Fernando
- City of Simi Valley
- City of South El Monte
- City of Torrance
- City of West Hollywood

Professional Background and Affiliations

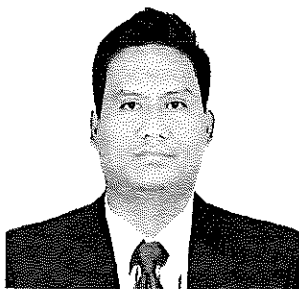
Hing's prior experience includes Audit Manager at Globe Telecoms, Inc. the leading telecommunications company in the Philippines. Prior to joining Globe in August 2021, he was a manager at Ernst & Young, under the Consulting Practice specializing in Technology Risk services. He has worked on a variety of engagements in the field of Information Technology (IT) audit, service organization controls reporting (SOCR), and management testing.

Hing is a Certified Information Systems Auditor (CISA).

He is a member of the IT Committee of the Philippine Institute of Certified Public Accountants (PICPA).

Educational Background

Hing received his Bachelor of Science in Accountancy from San Beda University, Philippines. He remains current on accounting matters by attending conferences and continuing education courses applicable to a Finance/IT professional.



SAMUEL TOLENTINO

Senior Auditor

Vasquez & Company LLP

Tel: 213-873-1714

Email: stolentino@vasquezcpa.com

Area of Expertise

Samuel's practice is focused on participating in financial and compliance audits of government agencies and nonprofit organizations, including internal control reviews and Single Audits performed in accordance with *Title II U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*.

Representation of Experience

- Arizona Water Company
- City of Baldwin Park
- City of Needles
- San Gabriel Valley Council of Governments
- United Water Conservation District

Professional Background

Samuel's professional background includes PwC, EY and KPMG where his practice was focused on audit engagement planning, budgeting and preparing audit programs, draft financial statements, and management reports.

Educational Background

Samuel earned his Bachelor of Science degree in Accounting from the Polytechnic University of the Philippines. He remains current on accounting matters by attending seminars focused on subjects applicable to accounting and financial reporting, as well as federal and state regulatory matters and auditing requirements.

Similar Engagements with Other Governmental Entities

Client/Contact/Address	Nature of Engagement
Water Replenishment District of Southern California Mr. Scott M. Ota, CPA, CIRA Chief Financial Officer (562) 921-5521	Annual financial and compliance audit and management letter. GFOA Award. 2008 to present
San Gabriel Basin Water Quality Authority Ms. Mary H. Saenz, CPA Director of Finance (626) 338-5555 x 105	Annual financial and compliance audit and management letter. 2016 to present
City of Torrance Ian Dailey, Assistant Finance Director (310) 781-7527 idailey@torranceca.org	Audited Financial Statements Measure W Fund of the City of Torrance, California Report on Financial statements, internal control over financial reporting and compliance on other matters, balance sheet, statement of revenues, expenditures, and changes in fund balance, notes to financial statements. June 30, 2021 - Present
Encina Wastewater Authority LeeAnn Warchol Administrative Services Manager/Treasurer/Auditor Tel: (760) 268-8849	Annual financial and compliance audit and management letter. GFOA Award. 2017 to 2021
Upper San Gabriel Valley Municipal Water District Ms. Evelyn Rodriguez, CPA Chief Financial Officer (626) 443-2297	Annual financial and compliance audit and management letter. GFOA Award. 2005 to 2018

Audit Approach

As part of an audit engagement, we leverage a formal project management methodology to help ensure that all tasks are planned effectively and ultimately completed on time and that any changes in the schedule will be properly documented and authorized. As part of the planning process, we will work with you to agree upon a communications plan to set forth the protocols for periodic status updates and escalations throughout the project. In addition, we will provide regular status reporting throughout the audit, consistent with the communications plan.

Experienced project managers with strong project management skills are embedded within your audit team. These Vasquez team leaders will provide highly collaborative project management expertise and consultation to the NPUA to ensure no surprises during the audit. Additionally, Vasquez will continuously look for ways to improve the management and execution of the audit. We want to ensure audit planning, scheduling, and budgeting are executed properly and timely.

At each phase of our engagement, our client service standards guide us toward providing an exceptional customer experience – one in which we become a trusted adviser and bring innovative ideas and solutions that deliver value to you.

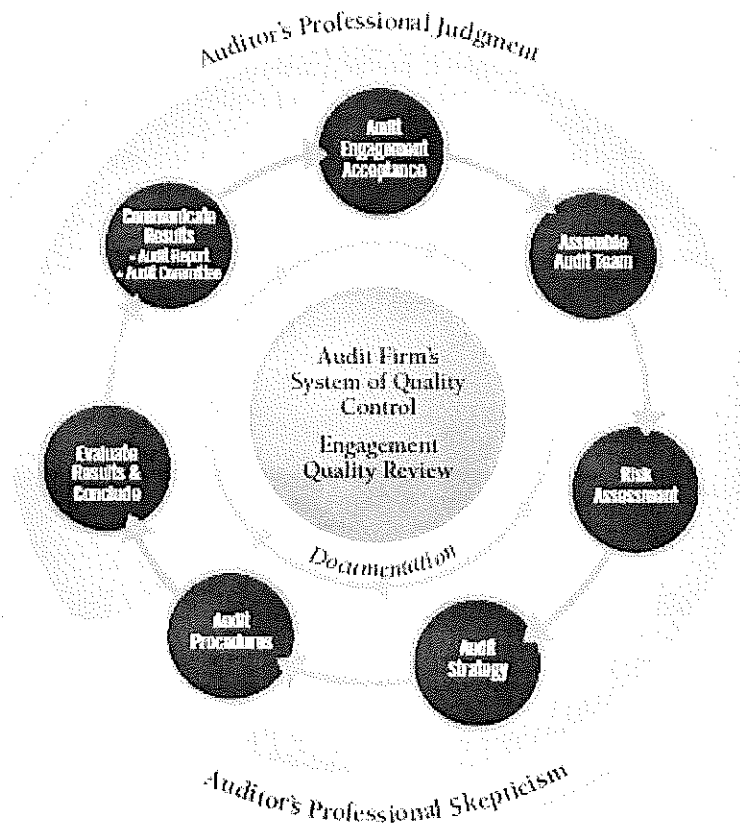
- **We understand.** Our audit and consulting professionals follow our CaseWare process, which provides a thorough understanding of your business, current situation, needs, and expectations to ensure no surprises at each phase of the engagement.
- **We communicate.** Our team is trained to communicate consistently and openly at the right time to the right people.
- **We collaborate.** We collaborate to bring together the right expertise to meet your needs, resolve emerging issues proactively, and bring innovative ideas and solutions that deliver value to you.
- **We deliver.** We deliver what we promise – on time, on budget, and with the highest quality.



At Vasquez, we want to build strong relationships with our clients and continuously seek to understand ways to ensure that our services align with their needs. We believe striving for continuous improvement in interacting with and delivering services to clients is important. We do this, in part, by adhering to defined client service standards and seeking feedback on our performance from our clients.

Every financial statement audit engagement presents a different set of challenges. No two organizations are the same, and therefore, we must tailor the audit to each organization based on the specific risks identified.

Our audit approach is based on a risk assessment process which is planned and executed by experienced auditors. The results as depicted below form the basis for our audit strategy and procedures, and ultimately yield practical comments for strengthening internal controls and improving practices, as well as our opinion on the financial statements and our auditor's reports on internal control and compliance with laws and regulations.



Risk Assessment

The design of an effective audit plan depends on the audit team's ability to identify and assess the risk that the financial statements contain a material misstatement, whether caused by error or fraud. The risk assessment process will include the following:

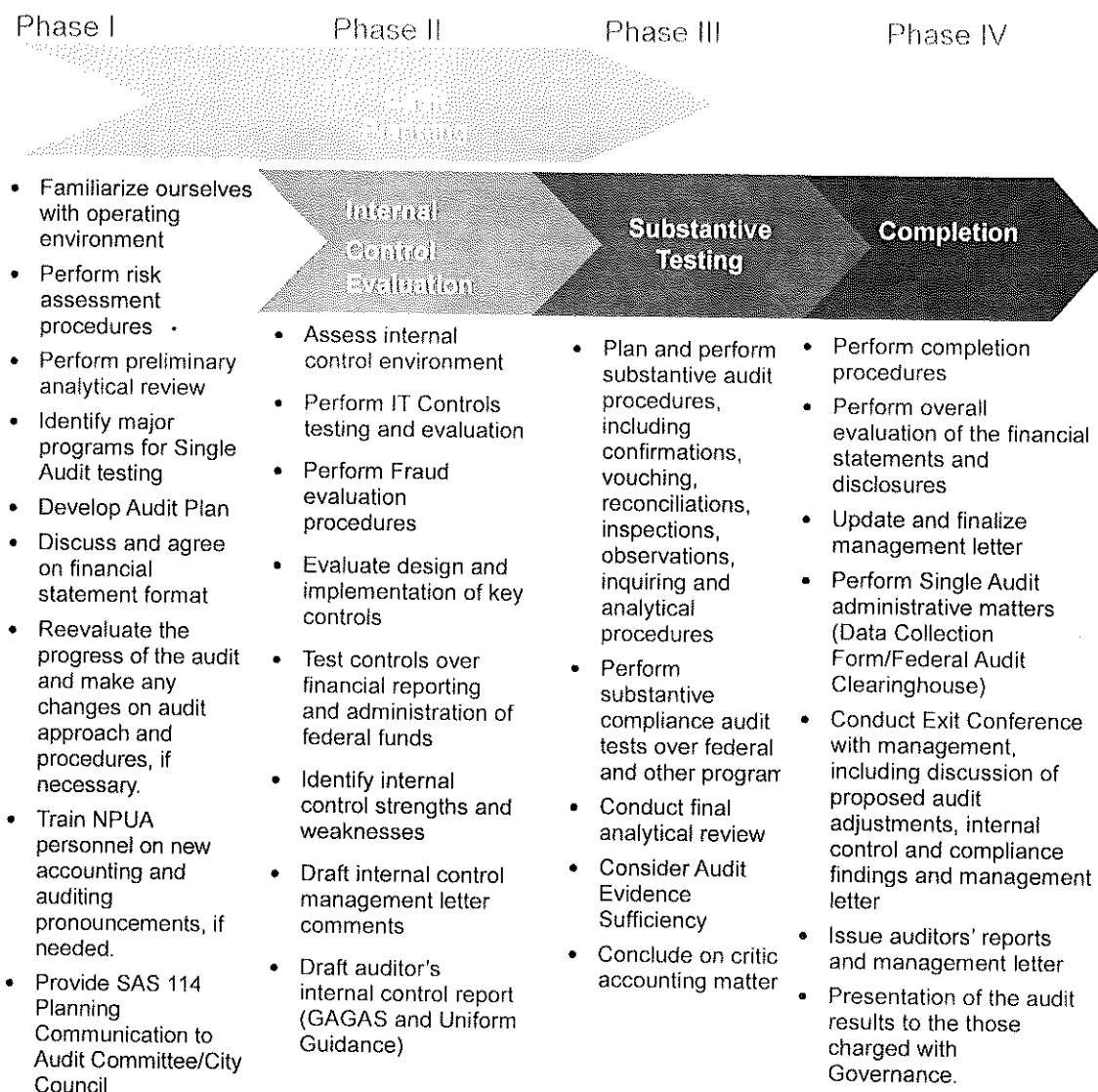
- Obtaining an understanding of the NPUA and the environment in which they operate. This includes efforts to understand the events, conditions, and organizational activities that might reasonably be expected to have a significant effect on the risks of material misstatement. In addition, understanding the NPUA and the environment will often involve considering the regulatory environment, business objectives, and strategies and selecting an application of accounting principles.
- Considering information gathered during the engagement acceptance and continuance evaluation, including prior reports, audit planning activities, previous audits, and other non-audit engagements performed for the NPUA.
- Inquiring of the audit committee, management, and others within the NPUA about risks of material misstatement.
- Obtaining an understanding of the NPUA's internal controls over financial reporting.

Performing analytical procedures, such as comparing the NPUA's current financial statement account balances to prior year financial statements and budgeted amounts and/or comparing relevant financial ratios to industry or prior year ratios.

Developing an Audit Strategy

In developing an audit strategy, we may decide to perform tests of the NPUA's internal control over certain systems and processes. We assess the desirability of adopting such a strategy by considering cost/benefit considerations, the volume of transactions, and prior-year control testing results. If test results indicate that the NPUA's internal controls are effective, we may decide to reduce the level of substantive tests that it performs as a basis for its opinion.

a) Proposed segmentation for the engagement;



Phase I – Audit Planning

The planning phase lays the foundation for the direction of our audit efforts. It encompasses the following steps:

- Conducting entrance conferences with the appropriate NPUA management personnel. The agenda would include, but need not be limited to the following:
 - The application of generally accepted accounting principles
 - Concerns of NPUA management
 - Report requirements, refinements, and deadlines
 - Initial audit approach and timing schedule
 - Assistance by NPUA personnel
 - Establishment of principal contacts
 - Progress reporting process
 - Consideration of Fraud in a Financial Statement Audit
 - The auditors' responsibility for fraud prevention
 - Scheduling inquiries of management and others (including non-accounting personnel) about the risk of fraud
- We believe we must assist the NPUA in implementing new accounting, auditing, and compliance requirements. For that reason, we intend to schedule training with NPUA personnel involved in all phases of the audit for them to have a clear understanding of the latest technical changes for their respective areas and a clear understanding of the audit requirements and timeline.
- Expanding our understanding of the NPUA and its operating environments. We will accomplish this by familiarizing ourselves and updating our knowledge of applicable background information pertinent to the NPUA, its component units, their mission, funding sources, and structure through our review of the following:
 - Applicable state legislation
 - The NPUA's charter, if applicable, and Municipal Code
 - Organizational charts
 - Minutes of Council and Audit Committee and NPUA Board meetings
 - Policies and procedures manuals, administrative codes, rules, and regulations
 - Description of the NPUA's financial and other information systems
 - Recent financial statements and key operating statistics
 - Reports of special audits by regulators or other auditors
 - Contracts and major commitments
 - Grant agreements
 - Significant operating agreements
 - Cost allocation plans
 - Possible effects on the NPUA of the actions of regulatory agencies
 - Fraud risk assessment processes
 - Utility rate ordinances
 - Bond ordinances and offering statements
 - I.T. Strategic Plan

- Through our background knowledge of the NPUA and our fact-finding process, we will develop an in-depth understanding of the areas of concern. We will be able to meet with NPUA management to discuss areas that might significantly impact the timing and completion of the audits, or that may be of particular concern to management. We will review such areas in-depth to obtain an early understanding and resolution of any "problem" areas that may impede our progress and to develop our overall approach so that the NPUA will have sufficient time to develop the data necessary for the completion of the audit with a minimum amount of disruption of the day-to-day routine.

Our planning process will include a specific review of computer activities performed by NPUA personnel to:

- Determine the organizational and operational controls over the data being processed, including, but not limited to, system development and maintenance controls, hardware controls, and access controls
- Evaluate the degree of "control consciousness" among personnel
- Determine the potential impact of general control strengths and weaknesses
- Consider the possibility of management override of controls.

Our principal sources of information for this review will be interviews with responsible accounting and computer operations personnel, reviews of program documentation for the NPUA's system, and direct observations made by our audit team.

- The audit team will use our analytical review techniques to identify other areas requiring attention. Until the year-end account balances are finalized, our review will focus on budgets compared to actual/projected information. We can thus identify sensitive areas to determine whether they require extra attention. We will also focus on unusual fluctuations occurring within individual funds to identify accounts and areas which merit further investigation.
- Based on our understanding of the NPUA's operating environment, through our analytical review and other planning procedures, we will meet with NPUA personnel to highlight areas to be emphasized during the audit. We will concentrate our efforts on the identified areas of audit concern and areas we know to be important to NPUA management. Some of our preliminary audit concerns are elaborated as follows:
 - Compliance with applicable laws, regulations, and reporting requirements
 - Receipt of all revenue to which the NPUA is entitled
 - Purchase authorizations within budgetary limitations
 - Adequate safeguarding of NPUA cash, investments, and inventory assets
- We will work directly with the appropriate NPUA personnel to discuss the financial statements and footnotes in accordance with all authoritative accounting systems and interpretations. Accordingly, we will meet to discuss and agree upon the format for the individual and general-purpose financial statements and any additional requirements that may be relevant because of recent or pending professional pronouncements. (See "Phase IV - Completion" for a more in-depth discussion of our financial reporting capabilities.)

Interim audit testing

Our audit approach is flexible and tailored to fit the NPUA's evolving needs. We will work with you to review the current audit schedule to determine the best approach for the various phases of the financial statement audit. We provide you the option of an interim audit effort or after year-end. There are several advantages to performing interim testing, such as:

- It shifts the timing of our testing into less busy periods of the year for your staff and our staff.

- It allows us to focus on the high-risk areas before the year-end close, providing more time to deal with issues.
- It allows us to judge the quality of the interim period, rather than solely year-end, financial statement information, and cut-offs, allowing us to identify and for the NPUA to implement best practices over internal controls and processes.

There are advantages to performing interim audit testing, and, as we stated previously, we will work with you to determine the best approach, and you will control this process.

Phase II – Control Evaluation

Understanding how key systems and processes contribute to your overall processing environment and affect the reliability of financial information is a primary element of our audit approach. Our objective is to assess whether security, integrity, continuity, and control standards are conducive to reliable processing, consistent with the NPUA's technology standards, and appropriate to safeguard your information assets.

I.T. General Controls

I.T. general controls are pervasive controls within the I.T. environment. The following types of I.T. general controls are typically addressed in our audit approach:

- **Logical security (access to programs and data)**—includes the components of management governance over Information Technology (policies and procedures, monitoring), application configuration (passwords, service accounts, super users, user identification/authentication), and security of the physical assets.
- **Change control management**—assesses program changes (upgrades, service patches, source code) moved into the production environment. The processes that ensure the appropriate initiation, authorization, segregation, testing, and approval are evident.
- **Data backup and recovery**—reviews that the data backup process and ability to recover data for the financially significant applications, databases, spreadsheets, and operating systems for the given opinion period are complete, tested, and maintained, including the handling of errors.
- **Job processing**—tests for the completeness of data interfacing into the financially significant applications and the change management processes for handling errors, script changes, and interface edits.
- **Security administration**—addresses the user access provisioning (new hire onboarding, position/role changes, employee separation) for the financially significant applications, databases, spreadsheets, and operating systems, along with management's review of access for completeness, segregation of responsibilities, and accuracy.

Out testing of IT application controls provides strong audit evidence and streamlines the audit process.

I.T. Application Controls

I.T. application controls apply to the business processes they support. These controls are embedded within the software applications to prevent or detect unauthorized transactions. When combined with manual controls, application controls verify processing transactions' completeness, accuracy, authorization, and validity. Our methodology for assessing application controls is as follows:

- Define materiality by the system, such as utility billing, cashiering, purchasing and disbursements, revenues, payroll, and asset management, using business process mapping as a starting point.

- Map various transaction types to identify key controls and determine if the control is an application control or manual control.
- Utilize our proprietary questionnaires to help verify and test various automated controls.
- Through inquiry, review of written policies and procedures, and on-site testing, evaluate application security controls, which are controls to verify that minimum access to applications is allowed for individuals to perform their job.
- Through inquiry, review of written policies and procedures, and on-site testing, evaluate input controls that ensure that transactions are initially recorded, entered, and accepted by the application accurately and completely.
- By developing and testing a sample of transactions, evaluate processing controls, which ensure that transactions are processed by the application programs accurately and completely.
- Through inquiry and review of written policies and procedures, evaluate output controls, which ensure that output is complete and is delivered (standard or customized) to the appropriate parties in an appropriate manner.
- Through inquiry, review of written policies and procedures, and tests of a sample of transactions, evaluate interface controls, which ensure that transactions between multiple systems are secure and integrity of the information transmitted is maintained, accurate, and complete.

Phase III – Substantive Testing

Sampling is one of the methods we use to obtain efficiency in the audit process. In designing and implementing a sampling plan, we consider the specific audit objective to be achieved and determine that the audit procedures to be applied will achieve that objective. We will:

- Define the objective of the test.
- Define the population to be sampled, the population element to be examined (sampling unit), and what an error is.
- Determine which sampling technique is most appropriate.
- Determine the appropriate sample size and select a sample that represents the population.
- Examine each sample item to determine whether it represents an error or an exception.

Substantive Testing – The purpose of the substantive tests is to provide reasonable assurance of the validity of the information produced by the accounting system. These tests will include detailed tests, such as inspection of underlying source documents, confirmations, and reconciliations. We will also perform analytical procedures, including ratio analysis, comparisons of actual-to-budget information, and other procedures. Specifically, tests we have found effective and efficient for the NPUA audits include confirmation of cash, investments, grants receivable, loan balances and debt, tests of subsequent receipts for selected receivables, and unrecorded liabilities for payables.

Consideration of Fraud – The primary responsibility for preventing and detecting fraud rests with those charged with governance and management. It is important that management, with the oversight of those charged with governance, places a strong emphasis on fraud prevention, which may reduce opportunities for fraud to occur, and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and punishment. This involves a commitment to creating a culture of honesty and ethical behavior, which can be reinforced by active oversight by those charged with governance. Oversight by those charged with governance includes considering the potential to override controls or other inappropriate influence over the financial reporting process.

We are responsible for obtaining reasonable assurance that the financial statements are free from material misstatements caused by fraud or error. Accordingly, as part of our audit planning process, we will perform

procedures to obtain information that will be used for identifying the risks of material misstatement due to fraud, such as the following:

- Discussions with management and others within the NPUA. These discussions would focus on obtaining an understanding of management's: (a) assessment of the risk that the financial statements may be materially misstated due to fraud, including the nature, extent, and frequency of such assessments; (b) process for identifying, responding to, and monitoring the risks of fraud in the NPUA, including any specific risks of fraud that management has identified or that have been brought to its attention, or classes of transactions, account balances, or disclosures for which a risk of fraud is likely to exist; (c) communication, if any, to those charged with governance regarding its processes for identifying and responding to the risks of fraud in the NPUA; and (d) communication, if any, to employees regarding its views on business practices and ethical behavior. We will also make inquiries of management and others within the NPUA, as appropriate, to determine whether they have knowledge of any actual, suspected, or alleged fraud affecting the NPUA.
- Discussions with those charged with governance. We will obtain an understanding of how those charged with governance exercise oversight of management's processes for identifying and responding to the risks of fraud in the NPUA and the internal control that management has established to mitigate these risks.
- Evaluation of unusual or unexpected relationships identified. Unusual or unexpected relationships, variances, or balances that we may identify during our preliminary analytical review procedures will be evaluated for an indication of risks of material misstatement due to fraud.
- Discussions among our audit team members. This discussion will involve exchanging ideas or brainstorming among our audit team members about how and where the NPUA's financial statements might be susceptible to material misstatement due to fraud, how management could perpetrate and conceal fraudulent financial reporting, and how assets of the NPUA could be misappropriated.

Adjusting Journal Entries – Adjusting journal entries proposed by our auditors, if any, will be discussed and explained to the Finance Director and others as appropriate. It is our practice to discuss issues and proposed audit entries with the program manager or management personnel immediately responsible for the program to ensure we have not misunderstood that particular situation. This will ensure that the immediate manager accepts the proposed entry or management comment and recommendation and that the recommendation is feasible and makes business sense. Our policy is to address issues and resolve them as they arise rather than at the end of the audit. In short, there will not be any surprises.

Our work plan's final element is the regular reporting to NPUA management personnel to apprise them of our progress. We believe communication is vital. Therefore, we have stressed the importance of continuous close relationships throughout this proposal and indicated the points we would meet for specific discussions and decisions.

Any and all potential exceptions or findings will be immediately discussed with knowledgeable personnel and summarized in weekly status meetings to ensure accuracy of any findings, time for management to correct noted deficiencies and the avoidance of any surprises.

Phase IV - Reporting

- Review federal, state, and other grant reporting requirements,
- Determine which internal control findings are significant deficiencies or material weaknesses,
- Prepare findings and draft the auditors' reports,
- Review draft reports with NPUA management, and

- Evaluate management feedback and proposed corrective actions, make revisions as necessary, and finalize the report.

Ample time will be provided for management review of all reports in draft form.

Management letter

After our audit, separate from any significant internal control deficiencies or items of noncompliance we may have identified and included in the respective auditors' reports, we will also provide our comments and observations for improvements to operating, accounting, and business practices. The diverse experience of our personnel and the fresh perspectives of our team members, combined with their independent and objective viewpoints, will likely yield valuable information. The findings and other comments will contain, as warranted and appropriate:

- Specific recommendations for improving accounting practices, procedures, and internal accounting and administrative controls.
- Comments on the design, controls, and audit trails of new and redesigned automated systems and suggestions to improve processing methods and procedures.
- Suggestions for operational improvements or cost efficiencies noted during our examination.
- Comments regarding compliance with the applicable laws, rules, and regulations, including Office of Management and Budget (OMB) and U.S. Government Accountability Office (GAO) guidance and regulations.
- Comments regarding the implementation of the new GASB pronouncements.
- Other comments, recommendations, or observations regarding best practices that we believe may be of interest.

Our Tools



Vasquez utilizes CaseWare electronic audit workpapers for a more efficient and intelligent audit process. CaseWare is also useful for financial analysis and reporting, including financial statement preparation.



To help manage the data flow for our testing, we utilize the Vasquez Citrix ShareFile, a secure and regulatory-compliant tool, to more effectively and efficiently manage the many requests for information necessary to conduct an engagement of this size.



Office 365 provides access to Office applications, online productivity services, and business services such as web conferencing, hosted email, and online storage.



We use IDEA software to analyze data in unique ways and the audit sampling process.

Professional fees

Our fees for the services outlined in this proposal are based on our estimates of the time needed to complete the project at our standard hourly rates. The fees are based on the assumption that unexpected circumstances will not be encountered during the audit, along with the following:

1. NPUA staff are available to answer questions within the agreed timeframe.
2. No instances of fraud that will require additional procedures.
3. NPUA staff to prepare all financial statements/schedules.
4. All information requested is provided within the agreed timeframe.
5. No (0) major programs subject to the Single Audit Act.
6. The information provided is complete and correct for the year under audit.
7. Other unforeseen events such as:
 - a. Accounting problems.
 - b. Fraud.
 - c. Changes in your business or business environment.
 - d. Contractual difficulties with suppliers, third-party service providers, or clients.

	FY23	FY24	FY25	FY26
Audit fee	\$ 30,550	\$ 31,466	\$ 32,410	\$ 33,382
State Controller's Report	3,120	3,213	3,310	3,409
Admin Fee	1,683	1,734	1,786	1,839
OPE	-	-	-	-
Total Audit Fee	\$ 35,353	\$ 36,414	\$ 37,506	\$ 38,631

Rates for Additional Services

Any other accounting work and audit services requested by the NPUA outside of the standard audit will be billed at our standard hourly rates, which are as follows:

Category	Rate
Partner	\$ 375
Director	300
Sr. Manager	250
Manager	225
Supervisor	200
Sr. Auditor	175
Staff	140

Rates for Travel

We will bill for our travel expenses at actual cost, if applicable.



www.vasquez.cpa

Vasquez & Company LLP has over 50 years of experience in performing audit, accounting & consulting services for all types of nonprofit organizations, for-profit companies, governmental entities and publicly traded companies. Vasquez is a member of the RSM[®] US Alliance. RSM US Alliance practices its members with a common commitment to U.S. US LLP. RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International. Visit rsmus.com/about-us for more information regarding RSM US LLP and RSM International. The RSM[™] logo is used under license by RSM US LLP. RSM US Alliance products and services are proprietary to RSM US LLP.

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