REQUEST FOR PROPOSALS
FOR
AUDIT SERVICES

CITY OF TAFT

209 E. KERN ST.
TAFT, CALIFORNIA 93268

CITY OF TAFT

REQUEST FOR PROPOSALS

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CITY OF TAFT

REQUEST FOR PROPOSALS

I. INTRODUCTION

A. General Information

The City of Taft is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending June 30, 2014, with the option of auditing its financial statements for each of the four (4) subsequent years thereafter. These audits are to be performed in accordance with generally accepted auditing standards (GAAS), the standards set forth for financial statement audits in the U.S. General Accounting Office's (GAO) Government Auditing Standards as revised in 1994, the provisions of the Federal Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments.

There is no expressed or implied obligation for the City of Taft to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

Any inquiries concerning the request for proposals should be addressed to Teresa C. Binkley, Director of Finance.

To be considered, an original and five copies of a proposal must be received by 3:00 p.m. on June 5, 2014. The City of Taft reserves the right to reject any or all proposals submitted. Proposals submitted will be evaluated by a five (5) member Audit Committee consisting of Dave Noerr, Mayor; Paul Linder, Councilman; Ben Mangum, City Treasurer; Craig Jones, City Manager; and Teresa Binkley, Director of Finance.

During the evaluation process, the Audit Committee and the City of Taft reserve the right, where it may serve the City of Taft's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. Three firms selected as finalists may be requested to make oral presentations as part of the evaluation process.

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

It is anticipated the selection of a firm will be completed and approved by the City Council on June 17, 2014.

B. Term of Engagement

A five-year contract is contemplated, subject to the annual review and recommendation of the Audit Committee, the satisfactory negotiation of terms (including a price acceptable to both the City of Taft and the selected firm), the concurrence of the City Council and the annual availability of an appropriation.

II. NATURE OF SERVICES REQUIRED

A. General

The City of Taft is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal year ending June 30, 2014, with the option to audit the City of Taft's financial statements for each of the four (4) subsequent fiscal years thereafter. These audits are to be performed in accordance with the provisions contained in this request for proposals.

B. Scope of Work to be Performed

The City of Taft desires the auditor to express an opinion on the fair presentation of its general purpose financial statements in conformity with generally accepted accounting principles.

The auditor is not required to audit the combining and individual fund and account group financial statements and supporting schedules and the schedule of federal financial assistance contained in the comprehensive annual financial report. However, the auditor is to provide an "in-relation-to" report on the combining and individual fund financial statements and supporting schedules based on the auditing procedures applied during the audit of the general purpose financial statements. The auditor is not required to audit the statistical section of the report.

C. Auditing Standards to be Followed

To meet the requirements of this request for proposals, the audit shall be performed in accordance with generally accepted auditing standards (GAAS) as set forth by the American Institute of Certified Public Accountants, the standards for financial statement audits set forth in the U.S. General Accounting Office's Government Auditing Standards as revised in 1994, the provisions of the Single Audit Act Amendments of 1996 and the provisions of the U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments.

D. Reports to be Issued

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue:

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.

2. A report on the internal control structure based on the auditor's understanding of the control structure and assessment of control risk.

3. A report on compliance with applicable laws and regulations.

   The report on compliance shall include all material instances of noncompliance. All nonmaterial instances of noncompliance shall be reported in a separate management letter, which shall be referred to in the report on compliance.

4. A schedule of Federal Financial Assistance and an "in-relation-to" report on the schedule of federal financial assistance.

5. A report on the internal control structure used in administering federal financial assistance programs.

   In the required report(s) on internal controls, the auditor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Reportable conditions that are also material weaknesses shall be identified as such in the report.

Non-reportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the report(s) on internal controls.

6. A report on compliance with laws and regulations related to major and non-major federal financial assistance programs. This report should include an opinion on compliance with specific requirements applicable to major federal financial assistance programs, a report on compliance with general requirements applicable to major federal financial assistance programs, and a report on compliance with laws and regulations applicable to non-major federal financial assistance program transactions tested.

7. A report on compliance with California Constitution Article XIIB - Appropriation Limit.

8. Component Unit Financial Statement of the Taft Community Development Agency and a report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.

9. Component Unit Financial Statement of the City of Taft/Ford City-Taft Heights Sanitation District Wastewater Treatment Plant and a report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.

E. Reporting to the Audit Committee

Auditors shall assure themselves that the City of Taft audit committee is informed of each of the following:

1. The auditor's responsibility under generally accepted auditing standards.

2. Significant accounting policies.

3. Management judgments and accounting estimates.

4. Significant audit adjustments.

5. Other information in documents containing audited financial statements.

6. Disagreements with management.

7. Management consultation with other accountants.

8. Major issues discussed with management prior to retention.

9. Difficulties encountered in performing the audit.

F. Special Considerations

1. The City of Taft currently uses an integrated software system, the MUNIS/FUND ACCOUNTING package, which includes the following modules: Accounting/Budgeting, Accounts Payable, Accounts Receivable, Payroll, Fixed Assets, Projects, and Utility Billing. All modules except Project are in use. The hardware supporting the Munis Fund Accounting System is Windows 2003 operating system which is a separate server from the City's other Windows 2003 and NT server information systems.

2. A copy of the Management Letter from the City of Taft's most recent financial statement audit has been included with this document as Attachment E.

G. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of four (4) years, unless the firm is notified in writing by the City of Taft of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees:

1. City of Taft

2. U.S. General Accounting Office (GAO)

3. State of California, State Controller

4. County of Kern, Auditor/Controller

5. Parties designated by the federal or state governments or by the City of Taft as part of an audit quality review process.

6. Auditors of entities of which the City of Taft is a sub recipient of grant funds

7. In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance

H. Optional Services to be Quoted

This Request for Proposals as outlined thus far represents the basic requirements for auditing and reporting. Each firm's proposal will be evaluated on the basic reports and scope of the audit as presented in this section.

However, the City of Taft also requests from each proposing firm a quote for the following services related to the audit. The City may choose to exercise none, or one or more, of these options.

1. Preparation by the audit firm of all supporting schedules required for the audit and financial statements, based on the City's Trial Balance and supporting documents.

2. Assistance by the audit firm in evaluation and/or implementation of Comprehensive Annual Financial Report (CAFR) preparation and the statistical sections thereto.

3. Preparation of the Annual Financial Reports for the Taft Community Development Agency, and the Annual Report for the City of Taft/Ford City-Taft Heights Sanitation District.

III. DESCRIPTION OF THE GOVERNMENT

A. Name of Contact Person

The auditor's principal contact with the City of Taft will be Teresa C. Binkley, Director of Finance, who will coordinate the assistance to be provided by the City of Taft to the auditor.

B. Background Information

The City of Taft, California, which was founded on November 7, 1910, has a

population of 8906 living within an area of 15.05 square miles. The City's fiscal year begins on July 1 and ends on June 30.

The City of Taft provides the following services to its residents: Police Protection, Street Maintenance, Refuse, Sewer, Parks and Recreation Services, Public Transportation, and Community Planning and Development. The City of Taft operates the Wastewater Treatment Plant under the "Joint Exercise of Powers Agreements" between City of Taft and Taft Heights/Ford City Sanitation Districts and the City of Taft's Finance Department maintains the accounting records for it. The City also has chosen to be the Successor Agency of the former Taft Redevelopment Agency.

The City of Taft has a total payroll of about $6.6 million covering an average of 115 employees.

The City of Taft is organized into eight departments and agencies. The accounting and financial reporting functions of the City of Taft are centralized.

More detailed information on the government and its finances can be found in:

1. The City's most recent Comprehensive Annual Financial Report (CAFR) - available upon request.

2. The City's 2013-14 Annual Budget-available upon request.

C. Fund Structure

The City of Taft uses the following fund types and account groups in its financial reporting:

Fund Type/Account Group	Number of Individual Funds	Number With Legally Adopted Annual Budgets
General fund	1	1
Special revenue funds	14	14
Debt service fund	1	1
Capital Projects funds	2	2
Enterprise funds	5	5
Internal service fund	1	1
Expendable trust fund	1	0
Nonexpendable trust fund	0	0
Pension trust funds	0	0
Agency funds	3	0

Fund structure continued:

Fund Type/Account Group	Number of Individual Funds	Number With Legally Adopted Annual Budgets
General fixed assets account group	3	N/A
General long-term debt account group	3	N/A

D. Budgetary Basis of Accounting

The City of Taft prepares its budgets on a basis consistent with generally accepted accounting principles.

E. Federal Financial Assistance

During the fiscal year to be audited, the City of Taft received the following Federal assistance:

- FTA Section 5311 Operating Assistance Grant
- FTA Section 5311 Capital Assistance Grant
- HUD Housing Grants
- STBG Housing Grants
- EDBG Grants
- Any other Grants, if any

F. Pension Plans

The City of Taft participates in the California Public Employees' Retirement System (PERS), an agent multiple-employer public employee retirement system that acts as a common investment and administration agent for the participating public entities within the State of California.

G. Component Units

The City of Taft is defined, for financial reporting purposes, in conformity with the Governmental Accounting Standards Board's Codification of Governmental Accounting and Financial Reporting Standards, Section 2100. Using these criteria, component units are included in the City of Taft's financial statements.

The management of the City of Taft has identified the following component units for inclusion in the City of Taft's financial statements: Taft Public Financing Authority,

Taft Public Improvement Corporation, Taft Community Development Agency and City of Taft/Taft Heights - Ford City Wastewater Treatment Plant. These component units are to be audited as part of the audit of the City of Taft's financial statements. A separate component unit financial statement will be prepared by City staff and the auditor's report is to be compiled, typed, and audited by the audit firm as part of the scope of work.

The financial records for the Agency and the Plant are maintained and located in the Finance Department at City Hall.

Not included in the reporting entity are several entities within the boundaries of the City that have Taft within their name. They include the Taft City School Elementary District, The Taft Union High School District and the Taft College. These potential component units have been excluded from the City's reporting because they have their own separately elected boards, issue their own debt, and control daily operations without any influence from the City.

H. Joint Ventures

The City participates in joint ventures with the County of Kern in the following areas: City of Taft/Taft Heights - Ford City Wastewater Treatment Plant Agreement; Waste Management Department; and Taft Area Transit.

I. Magnitude of Finance Operations

The Finance Department is headed by Teresa C. Binkley, Director of Finance, and consists of 6 employees; the Director, an Accountant, the Payroll/ Accounts Payable Clerk, the Accounts Receivable Clerk, the Accounting Assistant, and the Data Entry Clerk.

J. Internal Audit Function

The City of Taft does not maintain an internal audit function.

K. Availability of Prior Audit Reports and Working Papers

Interested proposers who wish to review prior years' audit reports and management letters should contact Teresa C. Binkley, Director of Finance, at 209 E. Kern, Taft, CA 93268, telephone (661) 763-1350 ext. 18. The City of Taft will use its best efforts to make prior audit reports available to proposers to aid their response to this request for proposals. However, prior auditor working papers will only be made available to the successful proposer.

IV. TIME REQUIREMENTS

A. Proposal Calendar

The following is a list of key dates up to and including the date proposals are due to be submitted:

Request for proposals issued:	May 5, 2014
Due date for proposals:	June 5, 2014
Presentation of Audit Contract to City Council:	June 17, 2014
Selected firm notified:	June 18, 2014

B. Schedule for the 2013-14 Fiscal Year Audit (A more comprehensive schedule will be developed for audits of future fiscal years if the City of Taft exercises its option for additional audits.)

1. Interim Work

Interim work may begin immediately upon selection of auditor by the Audit Committee and confirmation received from the City Council on June 18, 2014

2. Year-End Field Work

City staff shall provide an adjusted trial balance and all supporting schedules to auditor no later than October 1, 2014.

Auditor shall complete all field work by October 16, 2014.

3. Draft Reports

The Director of Finance shall prepare drafted financial statements, notes to the financial statements and all the required supplementary schedules by November 3, 2014.

The auditor shall have reviewed the drafted audit financial statements with the auditor's report available for review by the Audit Committee by November 18, 2014.

C. Date Final Report is Due

The Director of Finance will complete the review of the draft report as

expeditiously as possible. It is anticipated that this process will be completed and the final CAFR must be delivered to the City on November 17, 2014, for the Council meeting of December 16, 2014.

V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

A. Finance Department Assistance

The Finance personnel will be available during the audit to assist the firm by providing information, documentation and explanations. The preparation of confirmations will be the responsibility of the City of Taft.

B. Electronic Inquiry

The auditor will be provided computer access and the use of the City of Taft's computer hardware and software, for the limited use of testing, verifying, reports and inquiry functions.

C. Report Preparation

Final report preparation, editing, printing, and binding, (approximately 22 copies are required), shall be the responsibility of the auditor. Preparation of the drafted Financial Statements (GPFS) shall be the responsibility of the City, except if the City exercises one of the options listed in Section II H.

VI. PROPOSAL REQUIREMENTS

A. General Requirements

1. Inquiries

Inquiries concerning the request for proposals and the subject of the request for proposals must be made to:

Teresa C. Binkley, Director of Finance:
209 East Kern St.
Taft, CA 93268
(661) 763-1350 ext.18

2. Submission of Proposals

The following material is required for a proposing firm to be considered:

a. A master copy (so marked) of a Technical and Comprehensive Dollar Cost Proposal and five copies to include the following:

i. Title Page showing the request for proposal's subject; the firm's name; the name, address and telephone number of a contact person; and the date of the proposal.

ii. Table of Contents.

iii. Transmittal Letter, signed, briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement explaining why the firm believes itself to be the best qualified to perform the engagement, and a statement that the proposal is a firm and irrevocable offer for 60 days.

iv. Detailed proposal following the order set forth in Section VI B and C of this request for proposals.

v. Executed copies of the Proposer Guarantees and Warranties, attached to this request for proposals (Appendices B & C).

b. The proposer shall include a comprehensive dollar cost bid within the proposal.

c. Proposers should send the completed proposal marked "Audit RFP" to the following address:

City of Taft
Attn: Yvette Mayfield
209 E. Kern Street
Taft, CA 93268

B. Technical Proposal

1. General Requirements

The purpose of the Technical Proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the City of Taft in conformity with the requirements of this request for proposals. As such, the Technical Proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement.

The Technical Proposal should address all the points outlined in the request for proposals. The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposal. While additional data may be presented, the following subjects, item Nos. 2 through 7 must be included. They represent the criteria against which the proposal will be evaluated.

2. Independence

The firm should provide an affirmative statement that it is independent of the City of Taft as defined by generally accepted auditing standards/the U.S. General Accounting Office's Government Auditing Standards as revised in 1994.

The firm should provide an affirmative statement that it is independent of all of the component units of the City of Taft as defined by those same standards.

The firm should also list and describe the firm's professional relationships involving the City of Taft or any of its agencies or component units for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

In addition, the firm shall give the City of Taft written notice of any professional relationships entered into during the period of this agreement.

3. License to Practice in California

An affirmative statement should be included indicating that the firm and all assigned key professional staff are properly licensed to practice in California.

4. Firm Qualifications and Experience

The proposal should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed, the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

If the proposer is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve as the principal auditor should be noted, if applicable.

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition, the firm shall provide information on the circumstances of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.

The firm should also identify any engagements similar to the City of Taft.

5. Partner, Supervisory and Staff Along with their Qualifications and Experience

The firm should identify the principal supervisory and management staff, including partners, managers, other supervisors and specialists, who would be assigned to the engagement and indicate whether each such person is licensed to practice as a certified public accountant in

California. The firm also should provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

The firm should provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. The firm also should indicate how the quality of staff over the term of the agreement will be assured.

Partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the City of Taft. However, in either case, the City of Taft retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this request for proposals can only be changed with the express prior written permission of the City of Taft which retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

6. Similar Engagements with Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum of 5) performed in the last five years that are similar to the engagement described in this request for proposals. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

7. Identification of Anticipated Potential Audit Problems.

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the City of Taft.

C. Comprehensive Cost Bid

1. Total All-inclusive Maximum Price

The comprehensive dollar cost bid should contain all pricing information relative to performing the audit engagement as described in this request for proposals. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses.

The City of Taft will not be responsible for expenses incurred in preparing and submitting the technical proposal or the comprehensive dollar cost bid. Such costs should not be included in the proposal.

The first page of the comprehensive dollar cost bid should include the following information:

a. Name of Firm

b. Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the bid and authorized to sign a contract with the City of Taft

c. A total All-inclusive Maximum Price for the 2014 engagement

d. Estimated All-inclusive Maximum Price for the 2015, 2016, 2017, and 2018 engagement option

2. Rates by Partner, Specialist, Supervisory and Staff Level Times Hours Anticipated for Each

The second page of the comprehensive dollar cost bid should include a schedule of professional fees and expenses, presented in the format provided in the attachment (Appendix D), that supports the total all-inclusive maximum separate prices for the each of following:

- The City of Taft
- Single audit

- The Taft Community Development Agency
- The City of Taft/Taft Heights - Ford City Wastewater Treatment Plant.

3. Out-of-pocket expenses included in the Total All-Inclusive Maximum Price and Reimbursement Rates

   All estimated out-of-pocket expenses to be reimbursed should be presented in the comprehensive dollar cost bid in the format provided in the attachment (Appendix D). All expense reimbursements will be charged against the total all-inclusive maximum price submitted by the firm. The audit firm will be expected to make all travel arrangements for its staff and include these in this category.

4. All-Inclusive Maximum Price Estimates for Subsequent Years

   Engagement options for subsequent years' audits shall be negotiated with the City prior to commencement of each year's audit. Price considerations for subsequent audits shall be limited to (1) justifiable increases in audit hours and/or rates, and (2) additional special services requested and/or needed.

5. Rates for Additional Professional Services

   If it should become necessary for the City of Taft to request the auditor to render any additional services to either supplement the services requested in this request for proposals or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the City of Taft and the firm. Any such additional work agreed to between the City of Taft and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the comprehensive dollar cost bid.

   Section II H of the Request for Proposals lists five options which the City is requesting quotes on, but which the City may or may not exercise. The all-inclusive price quote for each of these services should be included on a form similar to the example in Appendix D.

6. Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's dollar cost bid proposal. Interim billings shall cover a period of not less than a calendar month. Ten percent (10%) of the contract will be withheld from the final billing pending delivery of the firm's final reports.

VII. EVALUATION PROCEDURES

A. Audit Committee

Proposals submitted will be evaluated by a five (5) member Audit Committee.

B. Review of Proposals

The Audit Committee will use a point formula during the review process to score proposals. The Audit Committee will score each proposal by each of the criteria described in Section VII C below.

The City of Taft reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected.

C. Evaluation Criteria

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated and scored for both technical qualifications and price. The following represent the principal selection criteria which will be considered during the evaluation process.

1. Mandatory Elements

   a. The audit firm is independent and licensed to practice in California and has at least three (3) years of experience in performing audits of governmental entities.

   b. The audit firm's professional personnel have received adequate continuing professional education within the preceding three (3) years and have at least three (3) years of experience in performing audits of other governmental entities.

   c. The firm has no conflict of interest with regard to any other

work performed by the firm for the City of Taft.

d. The firm submits a copy of its most recent external quality control review report and the firm has a record of quality audit work.

e. The firm adheres to the instructions in this request for proposals on preparing and submitting the proposal.

2. Technical Qualifications: (Maximum Points - 70)

a. Expertise and Experience

1. The firm's past experience and performance on comparable government engagements

2. The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation

b. Commitment to Governmental Accounting

1. The firm's membership in governmental accounting organizations and past results in the various award programs

2. The firm's commitment to Taft's audit schedule deadlines

3. Price: (Maximum Points - 30)

D. Oral Presentations

During the final phase of the evaluation process, the Audit Committee may convene a panel to conduct oral presentations. Such presentations, should they be deemed necessary by the Audit Committee, will provide firms with an opportunity to answer any questions the Audit Committee may have on a firm's proposal.

E. Final Selection

The selection of the audit firm will be made by the Audit Committee, with ratification by the City Council.

F. Right to Reject Proposals

Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City of Taft and the firm selected.

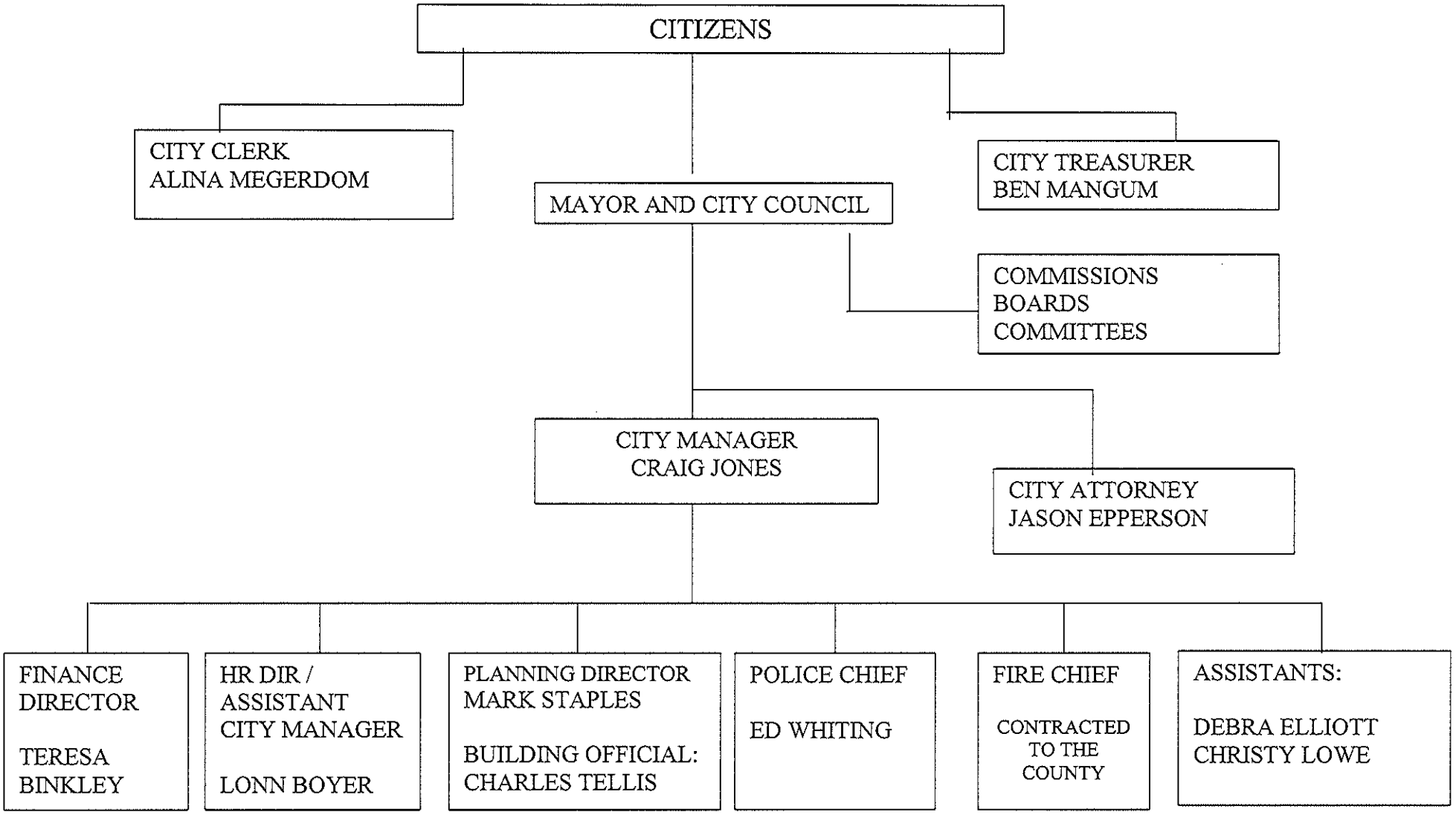
The City of Taft reserves the right without prejudice to reject any or all proposals.

APPENDIX A

ORGANIZATIONAL CHART

See attached

CITY OF TAFT ORGANIZATIONAL CHART



S:vol1\finance\wp61\susie\budget\2011-2012\city.of.taft.organizational.chart.doc.

APPENDIX B

PROPOSER GUARANTEES

I. The proposer certifies it can and will provide and make available, at a minimum, all services set forth in Section II, Nature of Services Required.

Signature of Official:

Name (Typed):

Title:

Firm Name:

Date:

APPENDIX C

PROPOSER WARRANTIES

I. Proposer warrants that it is willing and able to obtain an errors and omission insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officer, employees or agents thereof.

II. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the express prior written permission of the City of Taft.

III. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official:

Name (Typed):

Title:

Firm Name:

Date:

APPENDIX D

Comprehensive All-Inclusive
Schedule of Professional Fees and Expenses
For the Audit of the 2014 Financial Statements
of the City of Taft and All Component Units

	Hours	Standard Hourly Rates	Quoted Hourly Total
Partners	_____	_____	_____
Managers	_____	_____	_____
Supervisory Staff	_____	_____	_____
Staff	_____	_____	_____
Other-specify:			
_____	_____	_____	_____
_____	_____	_____	_____
Sub-Total	_____	_____	_____

Out of Pocket Expense:

Meals and Lodging

Transportation

Other-specify_____

Total all-inclusive maximum price for 2014 audit

APPENDIX E

2013 MANAGEMENT LETTER

MOSS, LEVY & HARTZHEIM LLP
CERTIFIED PUBLIC ACCOUNTANTS

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To the Honorable Mayor and Members
of the City Council of the City of Taft
Taft, California

In planning and performing our audit of the financial statements of the governmental activities, business type activities each major fund, and the aggregate remaining fund information of the City of Taft (City), California, as of and for the fiscal year ended June 30, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in the City's internal control to be a significant deficiency. (Finding 2013-1)

During our audit, we noted certain matters involving internal control for your consideration which are designed to assist the City to make improvements and operational efficiencies. (Findings 2013-2 – 2013-5)

The City's written responses to the finding are identified in our audit and described in the current year recommendation section. We did not audit the City's response and, accordingly, we express no opinion on them. In addition, we would be pleased to discuss these recommendations in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing these recommendations.

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This communication is intended solely for the information and use of management of the City of Taft, the members of the City Council, and others within the City, and is not intended to be and should not be used by anyone other than these specified parties.

Moss, Levy & Hartzheim, LLP

Moss, Levy & Hartzheim, LLP
Culver City, California
March 31, 2014