

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

REGULAR MEETING ***TELECONFERENCE MEETING NOTICE and AGENDA*** LOCATIONS LISTED BELOW

10:30 A.M.
Thursday, August 25, 2016
Teleconference Phone Information
(712) 775-7031 - Conference Code: 895081223

Call to Order and Roll Call Statement of Disclosure

Action Items

1. Approve Minutes from the Regular Meeting on August 18, 2016.
2. Approve Resolution No. 16-96 Authorizing the Issuance and Sale of California Enterprise Development Authority Taxable Variable Rate Demand Industrial Development Revenue Bonds (J. Harris Industrial Water Treatment, Inc. Project), Series 2016 in the Aggregate Principal Amount of Not to Exceed \$2,340,000 for the Purpose of Financing and Refinancing Facilities For The Benefit Of KJH Properties, LLC and/or a Related or Successor Entity, Providing the Terms and Conditions for the Sale and Issuance of Said Bonds and Other Matters Relating Thereto and Authorizing the Execution of Certain Documents Herein Specified.
3. Approve James Marta & Associates Proposal for CEDA Annual Audit for 2015-2016, 2016-2017, and 2017-2018.

Public Comment Chair Report PACE Report Other Business Adjournment

Members of CEDA and members of the public may access this meeting at the following locations:

California Association for Local
Economic Development
(contact Helen Schaubmayer)
550 Bercut Drive, Suite G
Sacramento, CA 95811

City of Santa Clarita
(contact Jason Crawford or
Marilyn Sourgose)
23920 Valencia Blvd., Suite 100
Santa Clarita, CA 91355

City of Vista
(contact Kevin Ham or
Reception)
200 Civic Center Dr.
Vista, CA 92084

Fresno State
(contact Mike Dozier or Reception)
550 East Shaw Ave., Suite 230
Fresno, CA 93710

Economic Development
Collaborative-Ventura County
(contact Bruce Stenslie
or Kelly Noble)
1601 Carmen Drive, #215
Camarillo, CA 93010

Los Angeles EDC
(contact Carrie Rogers or
Linden Johnson)
444 S. Flower St., 37th Floor
Los Angeles, CA 90071

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

Southern California Edison,
Economic Development Services
(contact Mike Nuby by phone:
626-812-7351)
6040-B N. Irwindale Ave.
Irwindale, CA 91702

Balboa Park Club
Santa Fe Meeting Room
2144 Pan America Road
(contact Gurbax Sahota or Kristy
Nong)
San Diego, CA 92101

This agenda can be obtained at www.ceda.caed.org. The California Enterprise Development Authority complies with the Americans with Disabilities Act (ADA) by ensuring that the facilities are accessible to persons with disabilities and by providing this notice and information in alternative formats when requested. If you need further assistance, you may contact us before the meeting at (916) 448-8252, ext. 16.

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

MINUTES
Regular Meeting
***TELECONFERENCE MEETING ***
CEDA BOARD OF DIRECTORS
Thursday, August 18, 2016

Teleconference Locations

California Association for Local
Economic Development
550 Bercut Drive, Suite G
Sacramento, CA 95811

City of Santa Clarita
23920 Valencia Blvd., Suite 100
Santa Clarita, CA 91355

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200 Civic Center Dr.
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Los Angeles EDC
444 S. Flower St., 37th Floor
Los Angeles, CA 90071

Southern California Edison,
Economic Development Services
6040-B N. Irwindale Ave.
Irwindale, CA 91702

Call to Order

Gurbax Sahota, Chair of the California Enterprise Development Authority, called the meeting to order at 10:30 am.

Roll Call

Members Present: Jason Crawford
Mike Nuby
Carrie Rogers
Gurbax Sahota

CALED Management/Staff

Present: Jillian Boyd
Helen Schaubmayer

Public Present:

Statement of Disclosure

None

Action Items

1. Approve Minutes from the Regular Meeting on August 18, 2016.

Motion: Board Member Carrie Rogers made the motion to approve minutes from the regular meeting on August 18, 2016. Board Member Mike Nuby seconded the motion on the floor. The motion passed with the following roll call vote:

Jason Crawford	Aye
Mike Nuby	Aye
Carrie Rogers	Aye
Gurbax Sahota	Aye

2. Approve Resolution No. 16-95 Approving Associate Membership of the City of Scotts Valley in the California Enterprise Development Authority and the Execution of Associate Membership Agreements Relating to said Associate Membership.

Motion: *Board Member Jason Crawford made the motion to approve Resolution No. 16-95. Board Member Mike Nuby seconded the motion on the floor. The motion passed with the following roll call vote:*

Jason Crawford	Aye
Mike Nuby	Aye
Carrie Rogers	Aye
Gurbax Sahota	Aye

Discussion: Helen briefed the Board that membership for this jurisdiction was prompted by a tax-exempt financing deal.

Public Comment

Chair Report

PACE Report

Other Business

Helen stated that the next board meeting is scheduled for August 25, 2016.

Adjournment

Motion: *Board Member Mike Nuby moved to adjourn the meeting. Board Member Carrie Rogers seconded the motion. The motion passed unanimously by voice vote.*

Board Chair, Gurbax Sahota, adjourned the meeting at 10:34 am.

Staff Report

Action Requested	Approve Resolution No. 16-96 Authorizing the Issuance and Sale of California Enterprise Development Authority Taxable Variable Rate Demand Industrial Development Revenue Bonds (J. Harris Industrial Water Treatment, Inc. Project), Series 2016 in the Aggregate Principal Amount of Not to Exceed \$2,340,000 for the Purpose of Financing and Refinancing Facilities For The Benefit Of KJH Properties, LLC and/or a Related or Successor Entity, Providing the Terms and Conditions for the Sale and Issuance of Said Bonds and Other Matters Relating Thereto and Authorizing the Execution of Certain Documents Herein Specified.
Borrower	KJH Properties LLC, and/or an established or yet to be established entity (i.e., LLC, partnership corporation, etc.) (“Borrower” or “KJH”).
Operator	J. Harris Industrial Water Treatment, Inc. (the “Operator”).
Borrower Description	<p>Founded in 1944, and having been owned and operated by four generations of the Harris family, the Operator, d/b/a Puretec, is an innovative industrial water services company that serves customers across the Southwestern United States. The company designs, engineers, manufactures, distributes, installs and services water treatment and purification systems. On May 14, 2015, the Authority issued Variable Rate Demand Industrial Development Revenue Bonds, Series 2015, to the Borrower (KJH Properties LLC) in the aggregate principal amount of \$5,330,000 to finance acquisition and improvement costs of its 3501 Sturgis Road, Oxnard, California facility.</p> <p>www.puretecwater.com</p> <p>The Borrower has requested the Authority to issue an additional series of taxable bonds pursuant to the Original Indenture for an aggregate principal amount not to exceed \$2,340,000 for the purpose of financing and refinancing the cost of acquisition of the real property and improvements located at its Oxnard facility and payment of capitalized interest and certain costs of issuance in connection with the Refunded Bonds.</p>
Eligibility and Policy Review	<p>CEDA staff has reviewed the project. The proposed financing is eligible pursuant to state and federal law and addresses the objectives contained in CEDA’s Bond Issuance Policies and Procedures</p> <ul style="list-style-type: none"> ■ The Borrower is capable of meeting the obligations incurred under the financing documents; ■ The Payments to be made are adequate to pay the expenses of CEDA in connection with the financing and to pay debt service; ■ Proposed financing is appropriate for the project.
Recommendation	Staff recommends approval of Resolution No. 16-96 Authorizing the Issuance and Sale of California Enterprise Development Authority Taxable Variable Rate Demand Industrial Development Revenue Bonds (J. Harris Industrial Water Treatment, Inc. Project), Series 2016 in the Aggregate Principal Amount of Not to Exceed \$2,340,000 for the Purpose of Financing and Refinancing Facilities For The Benefit Of KJH Properties, LLC and/or a Related or Successor Entity, Providing the Terms and Conditions for the Sale and Issuance of Said Bonds and Other Matters Relating Thereto and Authorizing the Execution of Certain Documents Herein Specified.

RESOLUTION NO. 16-96

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY TAXABLE VARIABLE RATE DEMAND INDUSTRIAL DEVELOPMENT REVENUE BONDS (J. HARRIS INDUSTRIAL WATER TREATMENT, INC. PROJECT), SERIES 2016 IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$2,340,000 FOR THE PURPOSE OF FINANCING AND REFINANCING FACILITIES FOR THE BENEFIT OF KJH PROPERTIES, LLC AND/OR A RELATED OR SUCCESSOR ENTITY, PROVIDING THE TERMS AND CONDITIONS FOR THE SALE AND ISSUANCE OF SAID BONDS AND OTHER MATTERS RELATING THERETO AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS HEREIN SPECIFIED

WHEREAS, pursuant to the provisions of the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (the "Act"), the cities of Eureka, Lancaster and Selma entered into a joint exercise of powers agreement (the "Agreement") pursuant to which the California Enterprise Development Authority (the "Authority") was organized; and

WHEREAS, the Authority is authorized by the Agreement and the Act to issue bonds, notes or other evidences of indebtedness, or certificates of participation in leases or other agreements, or to enter into loan agreements in order to promote economic development; and

WHEREAS, pursuant to the provisions of the Act and the Agreement, the public agencies which are the contracting parties comprising the membership of the Authority are authorized to jointly exercise any power common to such contracting parties; and

WHEREAS, the city of Oxnard has been granted Associate Membership status by the Authority pursuant to the Agreement; and

WHEREAS, KJH Properties, LLC, a limited liability company duly organized and validly existing under the laws of the State of California (the "Borrower"), has requested that the Authority issue its Taxable Variable Rate Demand Industrial Development Revenue Bonds (J. Harris Industrial Water Treatment, Inc. Project), Series 2016, in an aggregate principal amount not to exceed \$2,340,000 (the "Bonds") for the benefit of the Borrower pursuant to the Act for the purpose of (a) financing and refinancing the cost of acquisition of the real property and improvements located at 3501 Sturgis Road, Oxnard, California (the "Facilities"), and (b) payment of capitalized interest and certain costs of issuance in connection with the Refunded Bonds; and

WHEREAS, the Authority, on May 14, 2015, issued its Variable Rate Demand Industrial Development Revenue Bonds (J. Harris Industrial Water Treatment, Inc. Project), Series 2015 in an aggregate principal amount equal to \$5,330,000 (the "2015 Bonds"), pursuant to the Indenture

of Trust, dated May 1, 2015 (the “Original Indenture”), by and between the Authority and U.S. Bank National Association, as trustee (the “Trustee”); and

WHEREAS, the proceeds of the 2015 Bonds were loaned to the Borrower pursuant to the Loan Agreement, dated as of May 1, 2015, by and between the Authority and the Borrower (the “Original Loan Agreement”); and

WHEREAS, the Borrower has requested the Authority to issue an additional series of taxable bonds pursuant to the Original Indenture to finance or reimburse the Borrower for the cost of the Facilities; and

WHEREAS, for these purposes, the Borrower has requested the Authority to (a) authorize the issuance of its Variable Rate Demand Industrial Development Revenue Bonds (J. Harris Industrial Water Treatment, Inc. Project), Series 2016 (the “2016 Bonds”), in an aggregate principal amount not to exceed \$2,340,000, (b) provide for the sale of the 2016 Bonds, (c) provide for the loan of proceeds of the sale of the 2016 Bonds to the Borrower to finance a portion of the costs of the Facilities; (d) provide for the payment of the principal of, premium, if any, and interest on the 2016 Bonds with revenues derived from the Borrower’s repayment of that loan; and (e) take and authorize certain other actions in connection with the foregoing (collectively, the “Transaction”); and

WHEREAS, the 2016 Bonds will be issued on parity with the Series 2015 Bonds; and

WHEREAS, the payment of the principal of and interest on the 2015 Bonds is secured by a letter of credit issued by City National Bank (the “Bank”); and

WHEREAS, the Bank will issue and amended and restated letter of credit to secure the payment of the principal of and interest on the 2015 Bonds along with the 2016 Bonds; and

WHEREAS, in connection with the execution and delivery of the 2016 Bonds, certain amendments are required to be made to the Original Indenture and the Original Loan Agreement; and

WHEREAS, Authority staff has reviewed and there is now on file with the Secretary (“Secretary”) of the Board of Directors of the Authority (the “Board”) the following:

(a) a proposed form of a First Amendment to Loan Agreement (the “First Amendment to Loan Agreement” and, together with the Original Loan Agreement, the “Loan Agreement”) to be entered into by and between the Authority and the Borrower, providing for the loan of the proceeds of the 2016 Bonds to the Borrower;

(b) a proposed form of a First Supplement to Indenture of Trust (the “First Supplement” and, together with the Original Indenture, the “Indenture”) to be entered into between the Authority and the Trustee, providing for the authorization and issuance of the 2016 Bonds to be dated the date of delivery thereof;

(c) a proposed form of a Purchase Contract (the “Purchase Contract”) to be entered into by and between the Authority and Gates Capital Corporation, as underwriter

(the “Underwriter”), and approved by the Borrower providing for the sale of the 2016 Bonds; and

(d) a proposed form of Official Statement to be used by the Underwriter in connection with the sale of the 2016 Bonds (the “Official Statement” and, collectively with the Loan Agreement Amendment, First Supplement and Purchase Contract, the “Transaction Documents”);

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors (the “Board”) of the California Enterprise Development Authority, as follows:

Section 1. The Authority finds that it is in the public interest to assist the Borrower in financing the Facilities.

Section 2.

(a) Subject to subsection (b): the Authority hereby authorizes and approves (i) the issuance of the Bonds on a taxable basis pursuant to and in accordance with the provisions of the First Amendment Loan Agreement and the First Supplement, in an aggregate principal amount not to exceed \$2,340,000, (ii) the sale of the 2016 Bonds in accordance with the terms of the Purchase Contract to the Underwriter, and (iii) the loan of the proceeds thereof to the Borrower pursuant to the provisions of the Loan Agreement.

The 2016 Bonds and the interest thereon shall be special, limited obligations of the Authority, and payment of the principal of, redemption premium, if any, and interest on, the 2016 Bonds shall be made solely from loan payments made by the Borrower under the Loan Agreement and certain moneys held under the Indenture, and the 2016 Bonds shall not be deemed to constitute a general obligation of the Authority or of any member of the Authority or an obligation or commitment by the Authority to expend any of its funds other than from certain funds received under the Loan Agreement.

(b) The 2016 Bonds shall not be issued unless the Borrower has delivered or caused to be delivered prior to or concurrently with the issuance of the 2016 Bonds a letter of credit issued by City National Bank to secure the payment of principal and purchase price of and interest on the 2016 Bonds.

Section 3. The proposed form of the First Amendment to Loan Agreement relating to the 2016 Bonds, between the Authority and the Borrower, on file with the Secretary of the Authority, is hereby approved. The Chair or the Vice Chair of the Board of Directors of the Authority (individually, an “Authorized Signatory” and, collectively, the “Authorized Signatories”), acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the First Amendment to Loan Agreement in substantially the form filed with the Authority prior to this meeting, with such changes and insertions therein consistent with the stated terms of this Resolution as the Authorized Signatory executing the same, with the advice of the Authority Counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The proposed form of the First Supplement relating to the 2016 Bonds, between the Authority and the Trustee, on file with the Secretary of the Authority, is hereby approved. Any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver to the Trustee the First Supplement in substantially the form filed with the Authority prior to this meeting, with such changes and insertions therein consistent with the stated terms of this Resolution as the Authorized Signatory executing the same, with the advice of the Authority Counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The dates, maturity dates, interest rates, interest payment dates, denominations, forms, registration privileges or requirements, place or places of payment, terms of redemption and other terms of the 2016 Bonds shall be as provided in the First Supplement, as finally executed.

Section 5. The proposed form of the Purchase Contract relating to the 2016 Bonds, between the Underwriter and the Authority and approved by the Borrower, on file with the Secretary of the Authority, is hereby approved. Any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Purchase Contract in substantially the form filed with the Authority prior to this meeting, with such changes and insertions therein consistent with the stated terms of this Resolution as such Authorized Signatory executing the same, with the advice of the Authority Counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. The form of the Official Statement on file with the Secretary of the Authority is hereby approved and any Authorized Signatory, acting alone, is hereby authorized and empowered to execute the Official Statement with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The Underwriter is hereby authorized to distribute copies of the Official Statement in connection with the sale of the 2016 Bonds.

Section 7. The 2016 Bonds shall be executed by the manual or facsimile signature of the Chair or the Vice Chair of the Board of Directors of the Authority and attested by the manual or facsimile signature of the Secretary or Assistant Secretary of the Authority in the form set forth in and otherwise in accordance with the Indenture.

Section 8. The 2016 Bonds, when so executed, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the 2016 Bonds by executing the Trustee's Certificate of Authentication appearing thereon and to deliver the 2016 Bonds, when duly executed and authenticated, to the Underwriter, in accordance with written instructions executed on behalf of the Authority by any Authorized Signatory, which instructions said Authorized Signatory is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver to the Trustee. Such instructions shall provide for the delivery of the 2016 Bonds to the Underwriter in accordance with the Purchase Contract, upon payment of the purchase price thereof.

Section 9. Each Authorized Signatory and other appropriate officers and agents of the Authority is each hereby authorized and directed to take any and all actions necessary or

appropriate, not inconsistent with the terms of this Resolution and of the Indenture to effect the execution, authentication and delivery of the 2016 Bonds to the Underwriter, including, without limitation: giving the written order of the Authority for the authentication and delivery of the 2016 Bonds by the Trustee, and other appropriate certificates, closing documents, an administration agreement and other documents contemplated by this Resolution, the Indenture, the Loan Agreement and the Purchase Contract.

Section 10. All approvals, consents, directions, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, including, without limitation, any of the foregoing which may be necessary or desirable in connection with any amendment of such documents, or any redemption, purchase or defeasance of the 2016 Bonds, may be given or taken by any Authorized Signatory, without further authorization by the Board of Directors of the Authority, and each Authorized Signatory is hereby authorized and directed to give any such approval, consent, direction, notice, order or request and to take any such action which such Authorized Signatory, with the advice of bond counsel and legal counsel to the Authority, may deem necessary or desirable to further the purposes of this Resolution.

Section 11. All actions of the officers, directors, employees and agents of the Authority in conformity with the purpose and intent of this Resolution and in furtherance of the issuance and sale of the 2016 Bonds, as contemplated by this Resolution and the documents referred to herein, whether heretofore or hereafter taken, shall be and are hereby ratified, confirmed and approved.

Section 12. The provisions of this Resolution are hereby declared to be separable, and if any action, phrase or provision is for any reason declared to be invalid, such declaration does not affect the validity of the remainder of the sections, phrases and provisions.

Section 13. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this August 25, 2016.

CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY

By _____
Gurbax Sahota, Chair

Attest:

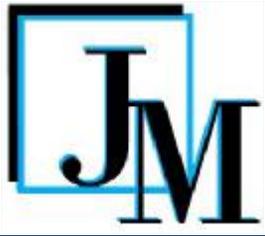
By _____
Helen Schaubmayer, Assistant Secretary

I, the undersigned, the duly appointed and qualified Assistant Secretary of the California Enterprise Development Authority, do hereby certify that the foregoing resolution was duly adopted by the Board of Directors of said Authority at a duly called meeting of the Board of Directors of said Authority held in accordance with law on August 25, 2016.

By _____
Helen Schaubmayer, Assistant Secretary

Staff Report

Action Requested	Approve James Marta & Associates Proposal for CEDA Annual Audit for 2015-2016, 2016-2017, and 2017-2018.
Staff Discussion	<p>CALED Staff sent a Request for Proposal (RFP) to four accounting firms. The firms contacted are:</p> <p style="padding-left: 40px;">Crowe Horwath 400 Capitol Mall, Suite 1400 Sacramento, California 95814-4498</p> <p style="padding-left: 40px;">James Marta & Company 701 Howe Avenue, Suite E3 Sacramento, CA 95825</p> <p style="padding-left: 40px;">John Waddell & Company 3416 American River Drive, Suite A Sacramento, CA 95864</p> <p style="padding-left: 40px;">Gallina LLP 925 Highland Pointe Drive Suite 450 Roseville, CA 95678-5423</p> <p>Additionally, CALED staff contacted two firms requesting contacts for which RFPs may be sent; however, no response was received from them:</p> <p style="padding-left: 40px;">Macias Gini & O'Connell LLP 3000 S Street, Suite 300 Sacramento, CA 95816</p> <p style="padding-left: 40px;">Rivera, Jamjian & Dillard, LLP 811 Wilshire Blvd., Suite 1805 Los Angeles, CA 90017</p> <p>From this initial communication, we received one proposal and no response from the remaining two firms. Upon reviewing the proposal, staff recommends engaging James Marta & Associates to conduct the CEDA Annual Audit.</p> <p>James Marta & Associates provided a competitive quote for a high-quality product and staff feel that James Marta & Associates consistently does an exceptional job with CEDA's audit.</p>
Recommendation	Staff recommends approval of the James Marta & Associates Proposal for the CEDA Annual Audit for 2015-2016, 2016-2017, and 2017-2018.



JAMES MARTA & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

**CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY
(CEDA)**

Proposal for Audit Services

**For the Year Ending
June 30, 2016**

CONTACT:

**DAVID BECKER, CPA
PARTNER**

**701 HOWE AVENUE, E3
SACRAMENTO, CA 95825**

**(916) 993-9494
(916) 993-9489 FAX
dbecker@jpmcpa.com**

July 1, 2016

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APPENDIX A

Peer Review Report



James Marta & Company LLP

Certified Public Accountants

Accounting, Auditing, Tax and Consulting

July 1, 2016

Ms. Helen Schaubmayer
California Enterprise Development Authority (CEDA)
550 Bercut Drive, Suite G
Sacramento, CA 95811

We are pleased to respond to your request to provide a proposal for audit services of the California Enterprise Development Authority (CEDA) for the fiscal year ending June 30, 2016. We propose to audit the financial statements of CEDA in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* and the State Controller's *Minimum Audit Requirements for California Special Districts*. The audit shall include a report on Compliance and on Internal Controls over Financial Reporting in accordance with *Government Auditing Standards*.

We have been providing audit and consulting services to joint powers authorities, special districts and other governmental entities for over 29 years. An extensive background and commitment to the industry allows us to bring to you an audit which goes beyond the minimum statutory requirements. Our depth of experience in this industry means that we bring creative and practical solutions to assist you in meeting the challenges that you face in your day-to-day operations and recommendations that are tailored to your unique needs. We provide hands-on service not only just identifying issues but also in actively assisting you in resolving them. A quick telephone call or email to our office is all that's needed to receive a timely response, at **no additional cost to you**. We consider this year-round availability an important part of our relationship with you.

The following additional services are included at no charge:

- Assistance in the implementation of new accounting standards
- Assistance with new state or regulatory compliance standards
- Year-round availability for consultation on accounting and audit topics

This proposal is valid for a minimum of ninety (90) days following the request for proposal closing date. Please be assured that if we are accepted for this engagement, we will commit the resources necessary for the successful and timely completion of the work. Please do not hesitate to contact me if I can provide any additional information.

Sincerely,

David Becker, CPA
Partner
James Marta & Company LLP
Certified Public Accountants



EXECUTIVE SUMMARY

As a full service audit, tax and management consulting firm, we pride ourselves in our ability to serve the diverse needs of Joint Powers Agencies in a rapidly changing environment. We feel our firm is uniquely qualified for the following reasons:

- Ø Over **29 years of experience** auditing and accounting for Joint Powers Agencies.
- Ø Specialized training in **audits of Joint Powers Agencies** and Governmental Entities.
- Ø Prior experience auditing **California Enterprise Development Authority** during the last six years. We are in position to rotate the lead partner on the audit to meet Government Code section 12410.6.(b) and satisfy the State Controller Office's requirement.
- Ø Provider of training for federal compliance audits in accordance with the Uniform Guidance 2 CFR Section 200 (formerly known as OMB Circular A-133).
- Ø Mr. Marta is **the Accreditation Manager** for California Association of Joint Powers Authorities.
- Ø Member and presenter for **California Association of Joint Powers Authorities** and **California Special Districts Association**.
- Ø Experience in preparing the **Comprehensive Annual Financial Report** in accordance with GFOA standards.
- Ø Experience assisting various agencies in implementing new GASB pronouncements.
- Ø **All staff** in the firm are trained, experienced and qualified to audit governmental agencies.
- Ø Experience providing **training to Joint Powers Agencies** on Equity Allocations, Investment Accounting, Accreditation, Compliance, Internal Controls, Fraud Prevention and Detection, Accounting, Claim File Reviews, Auditing and Board Governance Responsibility and Accountability.
- Ø **Year-round resource to you at no additional cost.**



**PROFILE OF
JAMES MARTA & COMPANY LLP**

We are a resource to you, answering the questions and meeting the needs of your people. We assist in developing practical solutions by understanding the roles of business, management, technology, accounting, and finance to help you meet your needs. We can make a difference.

OUR ADVANTAGE

We specialize in providing high-quality, value-added audit and consulting services to Joint Powers Agencies, non-profit trusts and governmental entities. We are large enough to serve and small enough to provide caring attention.

< COMMITMENT TO JOINT POWERS AGENCIES

We are committed to serving Joint Powers Agencies through our direct involvement in CAJPA. Mr. Marta has the ARM and ARPM certification. He is also the CAJPA Accreditation Manager and a regular speaker at the spring and fall conferences. Mr. Becker is on the CAJPA Finance and Technology Committee and also a regular speaker at the spring and fall conferences. Mr. Marta and Mr. Becker have performed Joint Powers Agency audits, accounting, and consulting for over 29 years.

< A PERSONAL APPROACH

As a small firm, each of our clients is not just a number. We are deeply familiar with the details of our clients' organizations, which means that we develop a thorough understanding of your business. As a result, we are able to offer customized, proactive advice that will help in anticipating challenges before they occur and identify emerging opportunities. We create services to meet your needs, rather than offering standard one-size-fits-all packages.

< FAMILIAR FACES

When doing business with a large organization, you may have found yourself leaving endless messages or working with junior staff that are unfamiliar with your company and its needs. When you work with us, you should expect a prompt response to your calls or e-mails from someone you know. The firm's partners will be available to you as the engagement progresses and be involved in the details of the firm's work for you. That kind of personal attention is standard procedure in our firm.

< EXPECTATIONS ARE MET

In our firm, each client counts. As a result, we meet your deadlines and deliver on our promises. Because the firm principals are involved in each engagement, you can expect a high level of quality for every service. Our principals are committed to meeting your expectations.



< **A TRUE RELATIONSHIP**

We develop strong and lasting relationships with our clients. Our success depends on your success, so we work hard to create strong and mutually beneficial relationships with you. We’ve helped our clients achieve their business goals.

We have long been the trusted business advisers for our clients, providing services to meet a wide range of business needs. We don’t simply deliver these services, we provide the kinds of customized, hands-on advice and insights that you need to achieve your business goals.

OUR SERVICES

We are a regional firm with one office located in Sacramento that is comprised of the two partners, two managers, two supervisors, five seniors and five professional staff. While we are a full-service firm offering assurance, tax, financial advisory and consulting services, self-insurance pool audits continue to be the dominant aspect of our practice. In the course of carrying out an audit, we generate information and develop insights that will result in improved controls and safeguards leading ultimately to greater efficiencies and clear, concise, and understandable financial reporting that is respected by your members. The professionals on our team combine the competence with judgment, maturity, and creativity – all prerequisites for a quality audit.

In addition to these services, we also offer the following:

- | | |
|--------------------------------------|--|
| Ü Special Equity Calculations | Ü Internal Control Design and Assessment |
| Ü Fraud Investigation | Ü Cost Benefit Analysis |
| Ü Budget Analysis | Ü Customized Seminars |
| Ü Specialized Compliance Reviews | Ü Performance Audits |
| Ü Temporary Controllorship | Ü Strategic Planning |
| Ü Cash Forecasting | Ü Year-End Closing Assistance |
| Ü Compiled Financial Statements | Ü Bond Defeasance Feasibility |
| Ü Lease/Purchase Calculations | Ü Arbitrage Calculations |
| Ü Accounting Policies and Procedures | Ü Mello-Roos Bonding Calculations |
| Ü Litigation Support Services | Ü Self-Insurance Program Analysis |
| Ü GASB 45 Alternative Measurement | Ü Investment Accounting |

PROFESSIONAL INTEGRITY

Integrity is at the very core of our practice. By consistently performing our duties with the highest sense of integrity and within the framework of applicable professional standards as well as our firm’s code of conduct, we can provide tough and relevant advice for you while maintaining our independence. This serves to uphold the public’s trust on our profession.



PEER REVIEW

We are committed to the highest standards in performing quality audits. We are proud to be one of the firms nationwide that volunteered for membership in the American Institute of Certified Public Accountants (AICPA) Peer Review Program in which an independent review of our accounting and auditing practice is performed by our peers every three years. The peer review program offers clients tangible, objective information about the quality controls of a CPA firm and, thus, about the quality of the documents prepared by that firm. Our most recent published peer review resulted in an unmodified report which indicates that our firm measures up to the accounting profession's high standard of quality and professionalism. A copy of the peer review report is presented in Appendix A for your review.

ASSURANCES

We affirm that we do not have any record of substandard audit work and that we meet all specific requirements imposed by state or local laws, rules or regulations. The firm's staff undergoes an annual training designed to meet the continuing education requirements mandated by the US General Accounting Office. The firm and the firm's principals, audit manager, and supervisors are properly licensed to practice as Certified Public Accountants. We affirm that we are independent with respect to CEDA as required by the Government Auditing Standards published by the United States General Accounting Office. We are not aware of any relationship with CEDA that results in a conflict of interest.



EXPERIENCE

Joint Powers Agencies (Partial List)

Northern California Cities Self Ins. Fund
City County Insurance Services Trust Pool
Alaska Municipal Pool JIA
California Joint Powers Insurance Authority
Schools Excess Liability Fund
North Bay Schools Insurance Authority
Statewide Educational Wrap Up Program
Public Entity Risk Management Authority
Central Region Schools Insurance Group
Central Valley Schools JPA
North Valley Schools Insurance Group
Santa Cruz –San Benito SIG
California Sanitation Risk Management
SIGNAL II
Bay Area Schools Insurance Cooperative
Bay Area Housing Authority Risk
Management Group
Golden State Risk Management Authority
Schools Self Insurance of Contra Costa County
Santa Cruz County Schools HIG
SIGNAL I
South Bay Area Schools Insurance Authority
West San Gabriel Workers’ Compensation JPA
Washington State Risk Management Pool
Southwest Washington Unemployment
Compensation Pool
Southwest Washington Risk Management
Insurance Cooperative

Municipal Pooling Authority
Special District Association of Oregon
North Coast Schools Insurance Group
OSBA Property and Casualty Coverage for
Education Trust
CSAC - Excess Insurance Authority
Schools Association for Excess Risk
Contra Costa and Solano Counties
School Districts Self Insurance Authority
East Bay Schools Insurance Group
Independent Cities Risk Management Authority
Southern Peninsula Region Insurance Group
Marin Schools Insurance Authority
San Diego Pooled Insurance Program Authority
Contra Costa County Schools Insurance Group
California Association for Park and
Recreation Insurance
Special District Risk Management Authority
Arizona Municipal Risk Retention
Small Cities Organized Risk Effort
California Housing Workers’
Compensation Authority
West San Gabriel Property & Casualty JPA
Valley Insurance Program JPA
Southwest Washington Workers’ Compensation
Trust

Special Districts (Partial List)

California Enterprise Development Authority
Sacramento Municipal Air Quality
Management District
Northstar Community Services District
Truckee Tahoe Airport District
Sacramento LAFCO
Sacramento Transportation Authority

California Transit Finance Authority
Mid-Peninsula Water District
Southgate Recreation & Park District
California Mental Health Services Authority
Livermore Area Recreation & Park District
Sacramento Municipal Utility District JPAs
Local & Regional Government Services



REFERENCES

We work hard to earn the trust of our clients and strive to develop a partnership with our clients. Please call our references to find out what difference we can make for our clients. If you speak to our references we are confident you will understand how we are different and can be a valuable part of your team and that we truly enjoy working in this industry and being a resource to our clients.

ORGANIZATION	CONTACT	TYPE OF WORK
California Joint Powers Insurance Authority 8081 Moody Street La Palma, CA 90623	Alexander Smith Finance Director (562) 467-8727	AUDIT MANAGER Audit 2011 to present James Marta
City County Insurance Services Trust 1212 Court Street, NE Salem, OR 97301	Mike Mischkot Chief Financial Officer (503) 763-3830	Audit 2003 to present David Becker
CSAC EIA 75 Iron Point Circle #200 Folsom, CA 95630	Marianne Stuart Chief Financial Officer (916) 631-7363	Audit 2007 to 2014 James Marta
Golden State Risk Management Authority P.O. Box 706 Willows, CA 95988	Rick Krepelka Chief Financial Officer (530) 934-8133	Audit 2002 to present James Marta

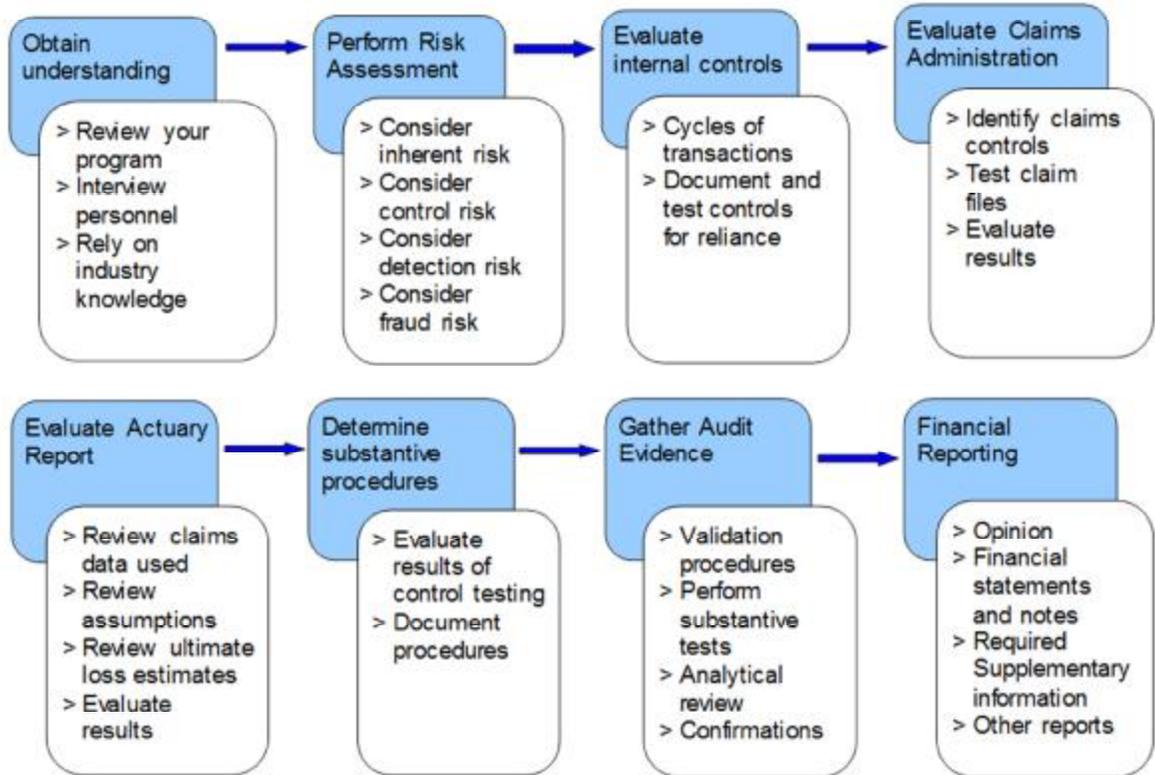
*We develop strong and **lasting relationships with our clients** because our success depends your success.*



AUDIT METHODOLOGY

Our firm’s commitment to excellence has always motivated us to continuously assess the integrity of our audit process and ensure that they are responsive to the changing environment and comply with evolving standards.

Steps in the Audit Cycle



AUDIT APPROACH

Our audit approach has a strong emphasis on early planning and is designed to gain a thorough understanding of your organization and the environment in which it operates, including internal control. We work with management to identify these risks and perform a high quality detailed review of financial operations. With the knowledge of how your organization functions combined with our expertise in the industry, we can tailor our approach by focusing our audit testing to the areas of highest risk. This advance planning typically results in an effective, cost efficient and timely audit which will ultimately benefit you. Our approach involves:

- < *Risk assessment.* We identify and assess the risk of material misstatements at different levels through interviews with management, analytical procedures, observations, and inspection. Based on our assessment, we will plan and perform procedures that are responsive to risks identified. This will cover the following areas:
 - Ü Financial reporting framework
 - Ü Business and industry
 - Ü Accounting policies and practices
 - Ü Financial performance
 - Ü Internal controls

- < *Process of Review.* Our process includes a corresponding review of all work performed, management letters, and reports to assure that all appropriate professional and technical standards are maintained. With this process, we also assess new standards and their potential impact on the audit process and its resulting report.
- < *Use of various audit tools.* We use audit software programs designed to work on a paperless environment and simplify the routine aspects of audit work. In addition, we use computer assisted auditing techniques which gives us the ability to analyze large amounts of data and efficiently select risky items.
- < *Open communication.* Throughout the audit, we provide explanations regarding the procedures that we do so you're not left in the dark. More importantly, we make every attempt to keep the audit liaison informed and appraised of our findings and the status of our work from the preliminary audit work through the delivery of the report and other required audit communications. When you receive your draft report, there shouldn't be any surprises. An end status report is provided with our audit which highlights the following:

- Ü Summary of the audit report
- Ü Financial position and results of operations
- Ü Current issues and significant Trends

AUDIT PROCESS

Once appointed the auditor of your organization, we will promptly agree on the dates of the interim and year-end fieldwork and the corresponding deliverables and answer questions concerning your industry, your organization's business activities, operations and accounting, or the preparation of the financial statements. The following are the key phases (segments) of our audit process:

Work Plan					
Number	Task	2016			
		July	Aug	Sept	Oct
1	Discussions with management and Board on accounting and reporting issues - ongoing and available throughout the year				
2	Meeting with management and discussions with Board to review audit risks and discuss scope of engagement	♦			
3	Prepare list of items needed for audit		♦		
4	Audit planning and risk assessment		♦		
5	Perform internal control testing, preliminary risk assessment, and compliance		♦		
6	Management provides final trial balance and supporting schedules		♦		
7	Perform year end audit fieldwork, including substantive and analytical procedures		♦		
8	Provide audit status report to management		♦		
9	Provide draft reports for discussion with management			♦	
10	Internal quality control review			♦	
11	Issue Final Reports including the Special District Annual Financial Transaction Report and the Conduit Financing Provider Report			♦	
12	Present audit report to the Board				♦



- < *Making the audit as easy as possible.* We will make every effort to use schedules and analyses already prepared for internal purposes to eliminate unnecessary duplication of effort between our staff and yours. Because we are experienced in working with organizations like yours, we have prepared customized forms and procedural checklists to streamline our process. You will receive, in advance, a listing of the items we will need from you such as:

- Ü Completion of transaction testing schedules (supplied by the auditor).
- Ü Completion of questionnaires (provided to you in electronic form)
- Ü Completion of various account schedules and analyses
- Ü Preparing bank statement reconciliations and confirmation letters
- Ü Providing other information to be used in the notes to the financial statements

The completion of these schedules by management before the start of the actual fieldwork will produce a smoother engagement, with fewer interruptions to you. This will benefit you by keeping your audit costs down and ensuring the performance of a timely audit.

PAPERLESS FIRM – Paperless Audit

Our firm is completely paperless. In addition to being good for the environment, it creates efficiencies on both ends of the audit. We provide you with access to a secure portal to upload all the documents we need for the audit. Access and communication are immediate, which creates a seamless audit process that keeps resources free for your day to day operation.

BENEFITS OF OUR PROCESS

Ultimately, an audit should not be just checking if the numbers agree to some backup documentation. One of our goals is to help you better understand and control your business. We bring our considerable experience into your process to broaden the support of your business and operations.

- < *We provide an analysis of your operations.* We review for you significant relationships between revenues, expenditures, and service levels. This is an important step because it helps identify trends and areas for you to focus your management control and assures that customers receive a precious resource at a fair and reasonable price. Other important benefits include:

- Ü Opportunities to identify training needs for personnel
- Ü Recognition of growing costs and potential effect on future budgets
- Ü Identification of opportunities to improve procedures and training

- < *We understand the pressures facing special districts in these challenging economic times.* We give management practical advice on what role a board should be playing in promoting the special district. We have helped our special district clients develop accounting systems that ensure accountability and full utilization of the district's resources.



AUDIT TEAM



The quality of our audit work depends on our ability to assemble an effective team with the right combination of technical skills and self-insurance experience. We invest in our professional staff by providing them with the best training and tools to achieve excellence in every engagement and assure compliance with professional standards.

Our approach involves a high-level of participation from the firm’s principals. From the outset, our principals are involved in the engagement planning and audit fieldwork all through the completion of the audit. Our experienced team will always be available to address issues and concerns you may have relating to your audit. This increased level of involvement results in a superior level of audit quality.

Each of our staff is experienced in auditing Joint Powers Agencies and governmental agencies and undergoes a rigorous professional development program designed to ensure that each member of the audit team can carry out his or her responsibilities according the exacting standards set by our profession.

In every audit engagement, we ensure that the principal, supervisor, and the senior will always be the same. Any changes to the assigned staff will depend on our scheduling availability but will be of equally qualified personnel.

Your audit team will be comprised of the following individuals:

James P. Marta CPA, CGMA, ARPM	Lead Partner
David Becker, CPA	Technical Review Partner
Jesse Deol, CPA	Manager
Robin Zane, CPA	Senior
Mario da Costa	Staff

Resumes for each member of your audit team are included for your review.



*Our experienced team **will always be available to address issues and concerns** you may have relating to your audit.*



James P. Marta CPA, CGMA, ARPM

Engagement Partner

Education

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

Certifications

CPA, CGMA, ARPM

Select Clients Served

JPA's and Risk Cooperatives

Accounting/Finance/Consulting

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

Audit

City County Insurance Services Trust
 Alaska Municipal Pool JIA
 California Joint Powers Insurance Authority
 North Bay Schools Insurance Authority
 Statewide Educational Wrap Up Program
 CSAC - Excess Insurance Authority
 Central Valley Schools JPA
 North Valley Schools Insurance Group
 Santa Cruz - San Benito SIG
 California Joint Powers Insurance Authority
 Bay Area Schools Insurance Cooperative
 Golden State Risk Management Authority
 Bay Area Housing Authority Risk Management Group
 Schools Self Insurance of Contra Costa County
 Santa Cruz County Schools Health Insurance Group
 South Bay Area Schools Insurance Authority
 Southwest Washington Unemployment Compensation Pool
 Southwest Washington Risk Management Insurance Cooperative
 Municipal Pooling Authority
 Special Districts of Oregon
 Contra Costa and Solana Counties School Districts Self Insurance Authority
 East Bay Schools Insurance Group
 Southern Peninsula Region Insurance Group

Overview

James has over 29 years of experience in auditing, consulting, and accounting for Joint Powers Authorities, special districts, local government agencies & non-profits. Prior to opening James Marta & Company, he spent 1 year with Moss Adams and 10 years with Gilbert Accountancy Corp. where he was a partner.

Partner with mid-sized CPA firm specializing in government and non-profit audits. Primary focus has been on special districts and Joint Powers Authority audits, consulting and accounting.

Organizational wide audits and specialized compliance reviews for special districts and state departments.

Member of Governor's team to improve the efficiency of government for the California Department of Motor Vehicles and the State Assembly.

Consultant to governments, non-profits and small business in the areas of accounting system design and needs analysis, implementation of accounting and internal control recommendations, budget forecasts and projections, client training seminars, federal and state compliance, and development of interim reporting formats.

Role and Responsibilities

- Overall responsibility for the audit and all services.
- Communicates with executive management and members of the Board regarding planning, fieldwork, and reporting of the audit.
- Technical resource; available throughout the year for issues, questions, and additional services.

Teaching & Industry Leadership

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

- Board Fiscal Oversight, Risk Financing – CSDA / CAJPA
- Accreditation Manger for CAJPA
- Single Audit Act – California State Auditors
- Self-Insurance Issues – CAJPA/CSDA
- Fraud Prevention and Detection - CASBO
- Management and Finance – Insurance Education Association
- Author of the IEA Pool Manager Course
- Taught the IEA ARM Risk Management and Risk Financing courses.

Professional Affiliations

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





David T. Becker, CPA

Engagement Technical Reviewer

Education

California State University, Sacramento
B.S. Accounting

Insurance Institute of America

Certifications

CPA

Select Clients Served

Joint Powers Agencies

CSAC - Excess Insurance Authority
California Sanitation Risk Management Authority
Special Districts Risk Management Authority
North Valley Schools Insurance Group
Santa Cruz –San Benito SIG
California Enterprise Development Authority
California Joint Powers Insurance Authority
California Transit Systems JPA
Contra Costa County Schools Insurance Group
Central Region School Insurance Group
City County Insurance Services Trust Pool
Non Profits United
North Coast Schools Insurance Group
Public Entity Risk Management Authority
San Mateo County Schools Insurance Group

Trusts

Elk Grove Benefit Employee Retirement Trust
City County Insurance Services Trust
State Associate of County Retirement Systems
Property + Casualty Coverage for Education Trust
CCCCD Futuris Public Entity Investment Trust

Special Districts

California Enterprise Development Authority
Sacramento Metropolitan Air Quality Management District
Truckee Tahoe Airport District
Mid-Peninsula Water District
McKinney Water District
Southgate Recreation & Park District
Truckee-Donner Recreation & Park District
Livermore Area Recreation & Park District
Lathrop-Manteca Fire Protection District
Northstar Community Services District
Local & Regional Government Services Authority

Overview

David has over 30 years of experience in auditing, consulting, and accounting for Joint Powers Authorities, special districts, local government agencies & non-profits. Prior to joining James Marta & Company LLP he spent 13 years as a partner with Perry-Smith LLP.

Partner with mid-sized CPA firm specializing in government and non-profit audits. Primary focus has been on special districts and Joint Powers Authority audits, consulting and accounting.

Organization-wide audits and specialized compliance reviews for special districts and other government agencies.

Member of CAJPA’s finance and technology committee and CSDA’s expert feedback team.

Consultant to governments, non-profits and small business in the areas of accounting system design and needs analysis, implementation of accounting and internal control recommendations, budget forecasts and projections, client training seminars, federal and state compliance, and development of internal reporting.

Continuing Professional Education

Total CPE hours were 264 in the last three calendar years (2015, 2014, and 2013) of which 198 were in governmental accounting and auditing subjects, including Single Audits and Federal Compliance. David met the Government Auditing Standard requirement for governmental CPE.

Role and Responsibilities

- Overall responsibility for the audit and all services.
- Communicates with executive management and members of the Board regarding planning, fieldwork, and reporting of the audit.
- Available throughout the year for issues, questions, and additional services.

Teaching & Industry Leadership

- Internal Controls and Emerging Technology – CAJPA
- Board’s Role in Finance and Fiscal Accountability - California Special Districts Association
- Other Post Employment Benefits – California Association of School Business Officials
- Management and Finance – Insurance Education Association
- Fraud and Fraud Prevention—California Special Districts Association.

Professional Affiliations

- American Institute of Certified Public Accountants (AICPA)
- California Society of Certified Public Accountants (CSCPA)
- California Association of Joint Power Authorities (CAJPA)
- California Special Districts Association (CSDA)
- California Association of School Business Officials (CASBO)
- California Society of Association Executives (CalSAE)





Jesse Deol, CPA

Engagement Manager

Education

California State University, Sacramento
B.S. Accounting

Certifications

CPA
Intermediate Single Audit Certificate

Select Clients Served

Joint Powers Agencies

California Housing Worker’s Compensation Authority
California Transit Systems JPA
Central Valley Financing Authority
Northern California Gas Authority
Non Profits United
North Coast Schools Insurance Group
North Coast Schools Medical Insurance Group
Sacramento Cogeneration Authority
Sacramento Municipal Utility District Financing Authority
Sacramento Power Authority
West San Gabriel Workers’ Compensation JPA
West San Gabriel Liability/Property JPA

School Districts

Acalanes Union High School District
Benicia Unified School District
Butte County Office of Education
Brentwood Unified School District
Colusa Unified School District
Colusa County Office of Education
Eureka City Unified School District
Gilroy Unified School District
Humboldt County Office of Education
Maxwell Unified School District
Natomas Unified School District
Nevada County Superintendent of Schools
Northern Humboldt Union High School District
Pierce Joint Unified School District
Placer County Office of Education
Rocklin Academy Family of Schools
Sacramento City Unified School District
Sacramento County Office of Education
San Mateo Union High School District
Sierra Community College District
Vacaville Unified School District
Winters Joint Unified School District
Williams Unified School District

Special Districts

Mid-Peninsula Water District
Northstar Community Services District
Sacramento Metropolitan Air Quality Management District
Sacramento Municipal Utility District
Southgate Recreation & Park District
Truckee Donner Recreation & Park District

Overview

Jesse has over 9 years of experience in auditing, consulting, and accounting for Joint Powers Authorities, special districts, employee benefit plans, local government agencies & non-profits. Prior to joining James Marta & Company, he spent 5 years with Crowe-Horwath where he was a senior.

Manager with mid-sized CPA firm specializing in local government agencies and special district audits. Primary focus has been on school districts, special districts and Joint Powers Authority audits.

Some tasks include compiling data to prepare and review financial statements; reviewing of workpapers and supporting schedules; performing test of details and analytical reviews; auditing all areas of section work; preparing closing and adjusting entries; and performing Single Audits using the Uniform Guidance (formerly OMB Circular A-133).

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

Consultant to governments and special districts in the areas of implementation of accounting and internal control recommendations, client training seminars, federal and state compliance.

Professional Affiliations

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

Role and Responsibilities

- Responsible for assisting the Engagement Partner in performing the audit risk assessment and design of the audit, planning, controlling, reviewing and evaluating fieldwork.
- Reviews financial statements to ensure conformance with Generally Accepted Accounting Principles in the United States of America and Government Finance Officers' Association requirements.
- Consults with audit team on issues and progress of fieldwork.
- Communicates with executive management and members of the Board regarding planning, fieldwork, and reporting of the audit.
- Manages the day-to-day execution of the audit activities and directs task accomplishments, monitors progress, and ensures schedule compliance.
- Available throughout the year for issues, questions, and additional services.

Teaching & Industry Leadership

- Single Audit training per the Uniform Guidance (internal)
- State Compliance training for LEAs (internal)
- Seminars for Associated Student Body for various school districts
- Seminars for updates to State Compliance requirements for LEAs for various COEs and School Districts.

Continuing Professional Education

Total CPE hours were 148 in the last three calendar years (2015, 2014, and 2013) of which 115 were in governmental accounting and auditing subjects. Jesse met the *Government Auditing Standard* requirement for governmental CPE.



Ray Tang

POSITION

Senior

(Passed all parts of the CPA exam, awaiting license)

YEARS OF EXPERIENCE

Four

EDUCATION

University of California at Santa Barbara
Bachelor of Arts in Economics
with an Emphasis in Accounting

EXPERIENCE

- Audits of K-12 educational entities
- Accounting for Governmental and public entities
- Audits of Non-profit entities
- Audits of Governmental Insurance Pools
- Internal audit for public entities
- Substantive account testing and analysis
- Audit reporting and disclosures

JPA Experience :

Bay Area Schools Insurance Cooperative
California Housing Workers Compensation Authority
California Transit Indemnity Pool
Independent Cities Risk Management Authority
Municipal Pooling Authority

RELATED COURSES

- Accounting and Auditing standards updates
- Governmental Audit Training
- Accounting and Audit Aspects of Special Districts
- Uniform Guidance (formerly OMB A-133) Single Audits

Mario da Costa

POSITION

Staff

(passed 3 parts of CPA exam)

**YEARS OF
EXPERIENCE**

Three

EDUCATIONCalifornia State University, Chico
Bachelor of Science in Business with an Option in Accounting**EXPERIENCE**

- Audits of K-12 educational entities
- Accounting for Governmental and public entities
- Audits of Non-profit entities
- Audits of Governmental Insurance Pools
- Internal audit for public entities
- Substantive account testing and analysis
- Audit reporting and disclosures

JPA Experience :California Joint Powers Insurance Authority
California State Association of Counties
Contra Costa County Schools Insurance Group
Municipal Pooling Authority
South Bay Area Schools Insurance Authority**RELATED
COURSES**

- Accounting and auditing standards updates
- Governmental and Non- Profit Auditing
- Uniform Guidance (formerly OMB A-133) Single Audits training
- Risk-based auditing

AUDIT FEES



Our charges for the audit will be based on our standard hourly rates plus out-of-pocket costs. Below is a summary of our proposed fees to audit CEDA:

<u>Classification</u>	<u>Hours</u>	<u>Rate</u>	<u>Total Amount</u>
Partner	10	\$ 250	\$ 2,500
Manager	10	160	1,600
Senior	30	125	3,750
Staff	30	100	3,000
Total	<u>80</u>		<u>\$ 10,850</u>
Less: Professional Discount			<u>(2,250)</u>
Total Fees			<u>\$ 8,600</u>
<u>Fees</u>			
For the Fiscal Year Ended June 30, 2016			\$ 8,600

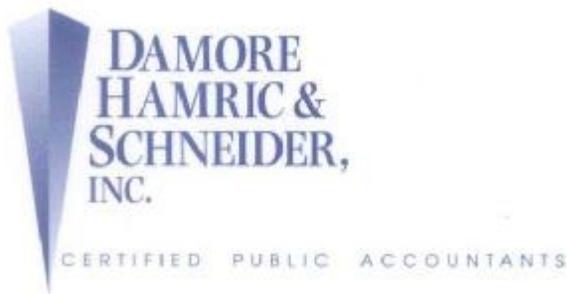
The above quote includes attendance at a board meeting. The fees quoted are based upon several assumptions about the adequacy of the accounting records, the degree of assistance to be provided by your personnel, and current auditing and accounting standards. Our fees do not include any accounting services such as closing year-end accounts or account reconciliation. If, at any time during our engagement, extraordinary matters come to our attention (i.e. changes in your operations, material weakness in your internal controls) that requires an extension of our services, we will consult with you concerning additional work to be done by you or an adjustment to our fees. We will submit monthly progress billings during the audit process.

In the event that the GASB, FASB, AICPA, GAO, or the State issues additional standards or audit procedures that require additional work during the audit period, we will discuss these requirements with you before proceeding further. Before starting the additional work, we will prepare an estimate of the time necessary, as well as the fee for performing the additional work. Our fee for addressing the additional requirements will be our standard hourly rates for each person involved in the additional work.

Our efficiency allows us to provide a low-cost alternative for our high quality, value-added service.

APPENDIX A

PEER REVIEW REPORT



SYSTEM REVIEW REPORT

November 28, 2011

To the Owner of James P. Marta & Company
and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of James P. Marta & Company (the firm) in effect for the year ended May 31, 2011. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under Government Auditing Standards; and audits of employee benefit plans.

A handwritten signature in cursive script that reads "Damore, Ham".

DAMORE, HAMRIC & SCHNEIDER, INC.

Certified Public Accountants