



MARCH 19, 2026

CITY OF HAWTHORNE

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES
FOR THE FISCAL YEARS ENDING JUNE 30, 2026 THROUGH 2031
(WITH THE OPTION FOR UP TO TWO ADDITIONAL YEARS)

RFP #2025-006

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Attachment A: Cost Data

March 19, 2026

City of Hawthorne
4455 W. 126th Street
Hawthorne, CA 90250

We are pleased to respond, on behalf of Rogers, Anderson, Malody & Scott, LLP (RAMS), to your request for a proposal regarding professional auditing services. As a recognized industry leader and innovator for the past 78 years, our goal has been to provide honest, high-quality, and objective results to all our clients, including governmental organizations such as yours. This dedication has fueled our firm's tremendous organic growth while ensuring personalized, client-focused services, with some governmental clients being with us for over 25 years.

At RAMS, we are committed to achieving the highest quality audit in the most effective manner possible. We understand the complexities of performing governmental audits, which is why we have a dedicated team of auditors with specialized knowledge and experience to ensure our audits are planned and executed efficiently and effectively, providing you with the highest quality services.

We understand that the City of Hawthorne (the City) will review other proposals during this process, but we believe that RAMS is the exceptional choice for your audit for the following reasons:

Reputation: We are a local firm and have an established reputation in the governmental and not-for-profit accounting and auditing community for providing excellent, timely service with high-quality reporting.

Advanced Tools: We utilize Teammate Analytics, a suite of over 200 Computer Aided Audit Tools (CAATs), empowering our audit teams to perform powerful data analysis that enhances our substantive audit procedures and helps identify transactions or amounts indicative of potential fraud.

Risk-Based Approach: Our intelligent, risk-based audit (using CAAT) allows us to focus on key audit areas, increasing efficiency and resulting in a higher quality audit at a reasonable fee.

Experience: We currently provide auditing services to over 70 governmental agencies and not-for-profit organizations, including over 30 cities with enterprise activities and over 35 special districts.

Remote Capabilities: We have developed a comprehensive remote working environment for our audits. All our staff are equipped to work remotely, effectively and efficiently, ensuring a quality audit.

Commitment to Deadlines: We are committed to meeting all reporting/auditing deadlines, resolving any issues encountered during your audit, and providing you with quality audit services.

Minimizing Stress: We understand the audit process can be stressful for you and your staff. We strive to make the audit process as trouble-free as possible by comprehensively planning and utilizing our staff and audit technologies efficiently and effectively while minimizing disruptions and miscommunications.

Personable Team: Our audit team members are personable and easy to work with yet focused on the audit. Through open and responsive communication, we aim to minimize operational distractions for your staff while maximizing quality service.

Quality Control: We have an extensive internal quality control review process to ensure your financial reports meet the highest standards. Each report is prepared by the engagement team, reviewed by the engagement manager, and thoroughly examined by two partners and at least one professional proofreader.

Award-Winning Assistance: We have assisted many clients with the preparation of their Annual Comprehensive Financial Reports. All our clients who submitted reports for the GFOA award have received them. Our participation as a GFOA reviewer also indirectly benefits our clients in the quality review process.

Value for Investment: Our fee estimate provides a fair and reasonable investment, commensurate with the level of service provided and the experience of the audit team members. While we may not be the lowest bidder, our focus is on delivering the best value and high-quality services, pricing our engagements accordingly.

We are a local firm which has a total staff of 58 people, which includes nineteen certified public accountants. The staff consists of six partners, nine managers, thirteen supervisors/senior accountants, twenty-five staff accountants, and five support staff, all full time.

Our firm provides various services ranging from audits, consulting, management advisory services, tax preparation, etc. For additional information our range of activities, please refer to the "About Our firm" section on page 18.

We currently use an Engagement (audit software) and Teammate Analytics (a suite of over 200 dynamic Computer Aided Audit Tools (CAAT). For more information regarding the firm's information technology (IT) audit capabilities, please see the "Segment 1 - Interim testing" on page 11 and the "Intelligent audit technology" section on page 14.

Our firm has been auditing local government for over 78 years, we have extensive experience in this field. For a listing of the firm's recent auditing experience with similar audits and contact information for five of the audits refer "Similar Engagements with Other Government Entities" section on page 20.

Engagement offers integrated financial statement preparation directly from the audited trial balances. In addition, the firm has a department that specializes in formatting the financial statements and utilizes adobe acrobat for document publication. For more information on the staff proofreading expertise, refer to the "Engagement quality control" section on page 21.

Our proposal is prepared clearly, concisely, and in accordance with the request for proposal. We believe our firm, staff, and reputation as a leader in governmental auditing exceed the need for the typical excessive information found in other proposals.

Rogers, Anderson, Malody & Scott, LLP, is a local firm and is properly licensed to practice in California, including all the professional staff assigned to this engagement. Mr. Scott Manno, Partner, and Mrs. Gardenya Duran, Partner are authorized to represent the firm, submit the bid, and sign a contract with the City. They can be reached at 735 E Carnegie Drive, Suite 100, San Bernardino, CA 92408 or 909.889.0871. We understand the work to be done as listed in the section of this proposal titled "Services to be Provided," and we are committed to meeting any agreed-upon time frames.

Thank you for the opportunity to present our proposal to the City. We are committed to exceeding your expectations of an auditor and believe this proposal provides you with comprehensive information about our firm, service team members, and our customized audit approach. We look forward to establishing a long and mutually beneficial relationship with the City. Please feel free to contact us if you have any questions regarding this proposal.

Respectfully yours,

ROGERS, ANDERSON, MALODY & SCOTT, LLP



Scott W. Manno, CPA, CGMA
Partner

Audit Team

The quality of service you receive hinges on the capabilities of the individuals assigned to your engagement and how effectively these personnel resources are organized. Our professionals are highly trained, knowledgeable, and have a deep understanding of the environment in which governmental and not-for-profit entities operate. This expertise is crucial for providing the City with an effective and efficient audit.

Our engagement team brings significant experience and a practical understanding of governmental accounting and auditing, combined with a broad business perspective. Each member has access to a wide range of technical resources and knowledge bases, enabling them to offer practical observations and effective solutions to the City.

Partner and supervisory staff involvement

Our partners and supervisory staff are actively and continuously involved in all aspects of their engagements. We believe that their involvement is a key aspect of the overall audit process. This includes being on-site for interim and year-end fieldwork, ensuring a proper, efficient, and effective audit with minimal disruption to your staff. The time spent on-site by partners and supervisory staff allows them to understand the City's accounting processes and procedures thoroughly. This understanding helps in evaluating and developing opportunities for efficiency and offering practical advice to improve your accounting processes and procedures.

All professionals on this engagement have extensive experience with audits similar to the City's, eliminating the need for the City to train our team.

Staff continuity

Maintaining continuity of audit staff is a principal concern for our firm. To retain our staff, we offer competitive wages, advancement opportunities, generous medical packages, a retirement plan, bonus opportunities, and educational benefits. While we strive for continuity, we acknowledge that staff changes may occur. We plan to provide consistent staff year to year, which is in the best interest of both the City and our firm. Continuity ensures an orderly, efficient, and less disruptive audit experience. In case of staff changes, principal supervisory and management staff, including engagement partners, managers, other supervisory staff, and specialists, may be replaced if they leave the firm or are promoted. However, the City reserves the right to accept or reject replacements.

Due to the significant involvement of our partners in all engagements, any staff transition would have a minimal impact on audit efficiency and effectiveness in subsequent years. Other audit personnel may be changed at the discretion of the City provided that the replacements have substantially the same or better qualifications/experience.

Continuing Professional Education

Our auditor specialists stay current in this technical practice area by adhering to, and typically exceeding, the continuing professional education requirements of *Government Auditing Standards* and the State Board of Accountancy guidelines. All professionals at our firm participate in continuing professional education (CPE) programs sponsored by various organizations, including the Government Finance Officers Association, the American Institute of Certified Public Accountants, the California State Society of Certified Public Accountants, the California Society of Municipal Finance Officers, and the Association of Government Accountants. These programs ensure our clients are serviced by the best-trained and most proficient government auditors and accountants available. We also provide in-house training conducted by our partners and senior staff using published resources. All staff are required to attend fraud and ethics training. Our goal is to provide professional staff with continuing education that exceeds the minimum standard of 80 hours over two years.

Audit Team (continued)

According to our firm's Quality Control document and *Government Auditing Standards* (GAS), all staff working on audits subject to GAS must complete CPE in line with GAS standards, requiring 24 hours directly related to governmental accounting and auditing.

To further increase our technical knowledge, we utilize resources such as the Governmental Audit Quality Center Annual Webcast Update, other relevant seminars, and monthly publications from the AICPA, the GFOA, and other sources. We also attend conferences and seminars sponsored by the GFOA, California Society of Municipal Finance Officers, California State Society of Certified Public Accountants, and the California Special Districts Association.

Assigned personnel

Our goal is to provide you with capable, competent, and personable individuals who possess an extensive background in governmental accounting and auditing and general business practices. This allows us to offer practical solutions and technical support, keeping you at the forefront of governmental accounting and helping you navigate complex issues.

Our engagement team has the managerial and supervisory experience to provide the City with a comprehensive audit of the highest quality while focusing on personal service. The resumes of the key engagement personnel assigned to the audit are presented below. These individuals will be assigned to the engagement for the entire contract period.

Scott W. Manno, CPA, CGMA – Partner, Engagement Partner

Scott will serve as the Engagement Partner for your municipal audit. He is licensed to practice as a certified public accountant in the State of California and brings over 29 years of public accounting experience, specializing in serving local governments. As the engagement partner, Scott will be responsible for the overall quality of the engagement, ensuring it is performed efficiently and effectively. He will directly oversee all engagement staff, assist in planning and performing the engagement, and review all workpapers and required reports prepared during the engagement.

Scott, like all our partners, is a working partner and will be actively involved in all aspects of the engagement, ensuring a high standard of service and attention to detail throughout the process.

Gardenya Duran, CPA, CGMA – Partner, Concurring Partner

Garden will serve as the Concurring Partner for the engagement. She is licensed to practice as a certified public accountant in the State of California and brings over 16 years of public accounting experience, specializing in serving local governments. As the concurring partner, she will work directly with Scott in planning and performing the engagement. In addition, he will provide technical consultation for the engagement team.

Brianna Schultz, CPA – Partner, Quality Control Reviewer

Brianna will be the Quality Control Reviewer. She is licensed to practice as a certified public accountant in the State of California. She has over 16 years of practical, governmental accounting and auditing experience. Brianna will be responsible for the final quality control review of all released opinions and related reports

Audit Team (continued)

Laura Arvizu, CPA – Engagement Manager

Laura is a manager with the firm and is licensed to practice as a certified public accountant in the State of California. Laura has over 10 years of experience in providing accounting and auditing services for municipalities, special districts, and various nonprofit organizations. As the engagement manager, she will work directly with the audit in-charge and partner, while supervising the engagement team during all phases of the engagement. In conjunction with the audit in-charge, she will also oversee the preparation of any required reports.

Sean Schmidt, CPA – Audit Senior

Sean is an audit senior with the firm and is licensed to practice as a certified public accountant in the State of California. Sean is an Audit Senior with our firm, bringing four years of experience in providing accounting and auditing services to municipalities, special districts, and various not-for-profit organizations.

As an Audit Senior, Sean will work closely with the engagement partner and manager. He will be responsible for planning the audit, supervising the staff assigned to the engagement, and reviewing all workpapers prepared for the engagement. Additionally, he will oversee the preparation of any required reports, ensuring thoroughness and compliance with all standards.

Mr. Terry Shea, CPA – Consultant

Terry is a retired municipal audit partner with the firm providing consulting services. He is licensed to practice as a certified public accountant in the State of California. Terry has over 40 years of public accounting experience and has provided accounting, auditing, and consulting services for municipalities, special districts, water agencies, and various not-for-profit organizations. Terry will assist on an as needed basis with the engagement. In addition, he will provide technical consultation for the engagement team.

Staff level accountants

All our staff accountants working on governmental audits are highly qualified to perform these audits. Prior to the audit season, our staff undergoes rigorous training that covers all aspects of our audit process and programs, ensuring they have a solid foundation before starting fieldwork. Each staff member is encouraged to take on increased responsibilities in engagements they have previously worked on, enabling them to grow and continually enhance their skills and knowledge.

Currently, Scott, Gardenya, Brianna, and Laura are all GFOA ACFR reviewers.

In summary, we emphasize the credentials of the professionals who will be directly responsible for the quality of service you will receive. Additionally, our audit team possesses an important, albeit intangible, attribute: the professionals assigned to your audits have previously worked together as a multi-disciplined team. This ensures a smooth, efficient, and effective audit process. We are committed to allocating the necessary resources to ensure continuity of personnel throughout our relationship with the City.

City of Hawthorne Proposal for Professional Auditing Services

Audit Team (continued)

Engagement team resumes



Scott W. Manno, CPA, CGMA
Engagement Partner

Professional experience

Mr. Manno began his career with Thomas, Bigbie and Smith in 1996 after serving in the United States Army. He spent six years with the firm primarily working on audits of municipalities, special districts and redevelopment agencies as well as various not-for-profit organizations. He joined Rogers, Anderson, Malody & Scott, LLP in July 2001. Currently, Mr. Manno serves as a technical reviewer for the GFOA ACFR Award program and he is also on the GFOA Special Review Executive Committee. In addition, he is part of the California State Society of Certified Public Accountants Governmental Accounting which meets periodically to discuss current events, pronouncements, etc.

Education/licenses

Bachelor of Science, Business Administration – California State University, San Bernardino
Certified Public Accountant – State of California
Chartered Global Management Accountant – American Institute of Certified Public Accountants

Related professional experience

Partial listing of relevant governmental agencies served (*includes enterprise fund accounting):

City of El Cajon*	Town of Yucca Valley	City of La Mesa*	City of Santee
City of Sierra Madre*	City of Santa Paula*	City of Eastvale	City of 29 Palms
City of Moreno Valley*	City of Beaumont*	City of San Marcos*	City of Loma Linda*
City of Live Oak*	City of Perris*	City of Exeter*	City of Woodlake*
City of San Jacinto*	City of Menifee	City of Rolling Hills Est.	City of Ojai*

Mr. Manno has completed over 183 hours of continuing professional education courses over the past three years of which the following select courses are relevant to this engagement:

- ◆ State and Local Government Audit Planning Considerations
- ◆ Audits of State and Local Governments
- ◆ 2025 Government Accounting and Auditing Update
- ◆ Auditing Internal Controls for Governments

Professional affiliations

Mr. Manno is a member of the following organizations:

- ◆ American Institute of Certified Public Accountants (AICPA)
- ◆ California Society of Certified Public Accountants (CalCPA)
- ◆ Association of Government Accountants (AGA)
- ◆ Association of Certified Fraud Examiners (ACFE)
- ◆ Government Finance Officers Association (GFOA)
- ◆ California Special Districts Association (CSDA)
- ◆ California Society of Municipal Finance Officers (CSMFO)

Audit Team (continued)



Gardenya Duran, CPA, CGMA
Concurring Partner

Professional experience

Mrs. Duran joined Rogers, Anderson, Malody & Scott, LLP in 2010. She works primarily on audits of governmental agencies, small to mid-sized businesses, and nonprofit organizations. Mrs. Duran has served as a technical reviewer for the GFOA ACFR Award program. Mrs. Duran specializes in advisory services gearing towards helping local governments restore their finance departments and compliance after staffing disruptions for governments, municipalities and various non-profit organizations. Prior to joining our firm, she was an Information Systems Technician in the U.S. Navy for nine years.

Education/licenses

Bachelor of Science, Business Administration – California State University, San Bernardino
Certified Public Accountant – State of California
Chartered Global Management Accountant – American Institute of Certified Public Accountants

Related professional experience

Partial listing of relevant governmental agencies served (*includes enterprise fund accounting):

City of Hawthorne*	City of El Cajon*	City of Aliso Viejo	City of Capitola
City of Poway*	City of San Jacinto*	City of San Bernardino	City of Goleta
City of Canyon Lake	City of San Marcos*	City of Redondo Beach*	City of West Covina*
City of La Mesa*	City of Thousand Oaks*	City of Claremont*	City of Chula Vista*

Continuing professional education

Mrs. Duran has completed over 145 hours of continuing professional education courses in the past three years of which the following select courses are relevant to this engagement:

- ◆ GASB Update - Recently issued Pronouncements
- ◆ Fundamental of Preparing an Annual Comprehensive Financial Report
- ◆ Single Audit Update
- ◆ Audits of State and Local Governments

Professional affiliations

Mrs. Duran is a member of the following professional organizations:

- ◆ American Institute of Certified Public Accountants (AICPA)
- ◆ California Society of Certified Public Accountants (CalCPA)
- ◆ Government Finance Officers Association (GFOA)
- ◆ California Society of Municipal Finance Officers (CSMFO)

Audit Team (continued)



Brianna Schultz, CPA, CGMA
Quality Control Partner

Professional experience

Mrs. Schultz began her career with Rogers, Anderson, Malody & Scott, LLP in 2014, and had over three years' experience with another public accounting firm serving the same industry. Currently, Mrs. Schultz serves as a technical reviewer for the GFOA ACFR Award program. During her time with the firm, she has worked primarily on audits of municipalities, special districts and redevelopment agencies, as well as various non-profit organizations.

Education

Bachelor of Science, Business Administration – California State University, San Bernardino
Certified Public Accountant – State of California
Chartered Global Management Accountant – American Institute of Certified Public Accountants

Related professional experience

Partial listing of relevant governmental agencies served (*includes enterprise fund accounting):

City of Meniffee	City of Aliso Viejo	City of Claremont*	City of Chino*
City of Glendora*	City of Rolling Hills Est.	City of San Bernardino	City of Sierra Madre*
City of La Verne*	City of Loma Linda*	City of South Pasadena*	City of West Covina*
City of La Mesa*	City of Baldwin Park	City of El Cajon*	City of Hawthorne*

Mrs. Schultz obtained the AICPA's *Advanced Single Audit Certificate* in 2019 and the *Intermediate Single Audit Certificate* in 2017. She served as the contract Interim Accounting Manager for the City of Glendora in 2016 and the Senior Accountant for the City of Rancho Cucamonga in 2015. Additionally, she is a reviewer for the GFOA ACFR Program.

Continuing professional education

Mrs. Schultz has completed over 160 hours of continuing professional education courses over the past three years of which the following select courses are relevant to this engagement:

- ◆ Governmental Accounting and Auditing Conference
- ◆ Single Audit Update
- ◆ How to Implement GASBS 87 and Maintain Compliance

Professional Affiliations

Mrs. Schultz is a member of the following organizations:

- ◆ American Institute of Certified Public Accountants (AICPA)
- ◆ California Society of Certified Public Accountants (CalCPA)
- ◆ Government Finance Officers Association (GFOA)
- ◆ California Society of Municipal Finance Officers (CSMFO)

Audit Team (continued)



Laura Arvizu, CPA
Audit Manager

Professional Experience

Laura is an Audit Manager with the firm. She has over 10 years of experience in providing accounting and auditing services for municipalities, special districts and various nonprofit organizations. As an audit manager, she will work closely with the engagement partner and be responsible for planning the audit, supervising the staff assigned to the engagement, and performing reviews of all workpapers prepared for the engagement. In addition, she will also be responsible for the preparation of any required reports. Currently, Laura serves as a technical reviewer for the GFOA ACFR Award program.

Education

Bachelor of Arts, Business Administration – California State University, San Bernardino
Certified Public Accountant – State of California

Related professional experience

Partial listing of relevant governmental agencies served (*includes enterprise fund accounting):

City of Imperial Beach*	City of Yorba Linda*	City of El Cajon*	City of Brawley*
City of Twentynine Palms*	City of Claremont*	City of Ojai*	City of La Mesa*
City of San Dimas	City of Fountain Valley*	City of Wildomar	City of Hawthorne*
City of Sierra Madre*	City of Mission Viejo*	City of Live Oak*	

Continuing Professional Education

Ms. Arvizu has completed over 120 hours of continuing professional education courses over the past three years of which the following select courses are relevant to this engagement:

- ◆ Annual Governmental GAAP Update
- ◆ Government-wide Financial Statements, and Conversions and Consolidations
- ◆ GASB Update - Recently Issued Pronouncements
- ◆ GASB 101 Compensated Absences

Professional affiliations

Mrs. Arvizu is a member of the following professional organizations:

- ◆ American Institute of Certified Public Accountants (AICPA)
- ◆ California Society of Certified Public Accountants (CalCPA)
- ◆ California Society of Municipal Finance Officers (CSMFO)
- ◆ Government Finance Officers Association (GFOA)

Audit Team (continued)



Sean Schmidt, CPA
Audit Senior

Professional experience

Mr. Schmidt joined Rogers, Anderson, Malody & Scott, LLP in May 2021, primarily providing accounting and auditing services for municipalities, special districts, and various nonprofit organizations. As an audit senior, he will work closely with the engagement partner and manager and be responsible for planning the audit, supervising the staff assigned to the engagement, and performing reviews of all workpapers prepared for the engagement. In addition, he will also be responsible for the preparation of any required reports.

Education

Bachelor of Arts, Business Administration – California State University, San Bernardino
Master of Science in Accountancy – California State University, San Bernardino
Certified Public Accountant – State of California

Related professional experience

Partial listing of relevant governmental agencies served (*includes enterprise fund accounting):

City of Hawthorne*	City of Fountain Valley*	City of San Marcos*	Crestline-Lake Arrowhead Water Agency
City of San Bernardino*	City of San Jacinto*	City of Santee	City of San Dimas
West Basin Water District	Valley Water Company	City of El Cajon*	City of Exeter

Continuing professional education

Mr. Schmidt has completed the following select courses that are relevant to this engagement:

- ◆ 2025 Annual Governmental GAAP Update
- ◆ 2025 Auditing and Attestation Standards for CPAs: Spring Update
- ◆ GASB-103 and 104 - Gearing Up!

Professional affiliations

Mr. Schmidt is a member of the following professional organizations:

- ◆ American Institute of Certified Public Accountants (AICPA)
- ◆ California Society of Certified Public Accountants (CalCPA)
- ◆ California Society of Municipal Finance Officers (CSMFO)

Audit Scope and Provisions

Services to be provided

The City desires the auditor to express opinions on the fair presentation of the financial statements for the following: the City of Hawthorne, its component units: the Housing Authority, the Financing Authority and the Parking Authority and the Successor Agency in accordance with generally accepted accounting principles.

In addition, we shall:

- Perform procedures to determine whether the City has complied with laws and regulations that may have a material effect upon the financial statements.
- Examine the City's internal accounting controls and accounting procedures and render written reports of their findings and recommendations to the Finance Director.
- Prepare the financial statements (ACFR), in accordance with General Accepted Accounting Principles, with management's direct oversight and approval.
- Apply certain limited procedures related to Management's Discussion and Analysis and Required Supplementary Information and provide an "in-relation-to" report on the combining and individual fund financial statements and supporting schedules, if applicable.
- Auditors shall include all funds of the City and its component units: the Housing Authority, the Successor Agency, the Financing Authority and the Parking Authority.
- Prepare the component units' financial statements for each fiscal year, which shall include such component unit, general purpose and supplementary financial statements, notes to the financial statements and an opinion as to the fairness of their presentation in conformity with generally accepted accounting principles, applicable to the various funds or state the reasons for any exceptions to said principles.
- Provide opinions as to the compliance with the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (OMB Uniform Guidance). RAMS is to provide an "in-relation-to" report on the Schedule of Expenditures of Federal Awards based on the auditing procedures applied during the audit of the financial statements.
- Test compliance with Article XIII B pertaining to the City's appropriation limit and prepare an Agreed-Upon Procedures report to the City Council regarding compliance.

Our audit(s) will be in accordance with:

- Generally Accepted Auditing Standards as promulgated by the American Institute of Certified Public Accountants, including requirements found in the most recent AICPA audit guide *Audits of State and Local Governments*.
- *Government Auditing Standards* issued by the Comptroller of the United States of America.
- Single Audit Act of 1984, as amended in 1996.
- Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (OMB Uniform Guidance).
- Any other applicable standards for other items outlined in the Scope of Work to be performed and/or reports to be issued.

Reports to be issued:

- A report on the fair presentation of the financial statements in conformity with GAAP.
- A report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards* (material weaknesses or significant deficiencies).
- A report in compliance with requirements applicable to each major federal program and internal control over compliance in accordance with the *Uniform Guidance*.
- Prepare Management Letter that includes significant and less significant (i.e., reportable and non-reportable) recommendations for improvements to internal control.
- We will issue reports to those charged with governance (SAS 114 letters) as required by auditing standards.

Audit Scope and Provisions (continued)

RAMS will also perform the following:

- Make an immediate, written notification of all irregularities and illegal acts or indication of illegal acts of which we become aware to the following: City Council, City Manager, City Attorney and Finance Director.

Engagement approach

Our engagement approach for your audit is meticulously designed to ensure measurable progress and successful outcomes. This involves setting clear goals and maintaining frequent communication between the engagement partner, lead auditor, and the team. Our approach leverages our extensive knowledge and expertise in governmental accounting and auditing to identify and address key audit and accounting risks specific to the government sector. Each year's audit includes a complete reassessment of the control environment, enabling us to respond to any changes in risk assessment effectively.

Key components of our engagement approach

Knowledge and Experience: With over 78 years of auditing governmental entities of all sizes, we possess in-depth knowledge of the governmental environment. This enables us to perform efficient and effective audits, conduct detailed risk assessments, and identify significant audit risk areas within the City's control environment.

Intelligent Design: Utilizing advanced audit software and data analytic tools (Engagement and Teammate Analytics), we can analyze large volumes of data quickly, enhancing both the efficiency and effectiveness of our audits.

Professional Oversight: Our partners, managers, and supervisors have extensive experience in governmental audits, allowing us to design and execute audit strategies that are both effective and efficient.

Timeliness: Meeting deadlines is a professional commitment for us. We ensure that all required and agreed-upon deadlines are met.

Open Communication: Maintaining open lines of communication with all parties involved, including City management and staff, helps eliminate surprises and ensures a smooth audit process.

Availability: Our engagement team members are available year-round for any questions or additional consultation. City staff will have direct access to the partner, manager, and supervisory staff during and after the engagement.

Cost-Effectiveness: Our customized audit approach and experienced auditors help reduce overall audit costs while delivering effective audits and high-quality reports.

Risk-Based Approach: We perform detailed risk assessment procedures to understand the City and its environment, including internal controls. This forms the basis for our assessment of risks of material misstatement at the financial statement and relevant assertion levels. We may perform further audit procedures concurrently with risk assessment as necessary.

Audit Scope and Provisions (continued)

As stated in our proposal, our primary objective is to conduct an audit of the financial statements in accordance with required auditing standards and to express an opinion on those statements. Our engagement approach also offers several value-added benefits at no additional cost:

Efficiency and Minimal Disruption: Our audits are designed to be efficient and effective, minimizing disruption to office operations.

Practical Observations and Recommendations: We provide practical observations and recommendations on internal control issues, accounting standards implementation, and related policies and procedures.

Operating Efficiency Opportunities: We identify opportunities for operating efficiencies that can help reduce the City's operating costs.

By employing this comprehensive engagement approach, we ensure that the City's audit is conducted with the highest standards of quality and professionalism.

Audit approach and proposed audit segmentation

The following is a summary of the audit team's approach for your engagement. The audit will be divided into the following segments:

Segment 1 - Interim Testing: Planning, Pre-Audit Administration, and Internal Control Testing

Objectives: During this phase, our principal objectives will be to gather information about the City and its environment, including its internal controls over financial reporting.

Approach:

- **Initial Meetings:**
 - Meet with the City's staff to determine convenient dates to begin our audit and to discuss the assistance to be provided by the City's staff.
- **Engagement Team Brainstorming:**
 - Hold brainstorming sessions with engagement team members to discuss the susceptibility of the City's financial statements to material misstatement and fraud.
- **Review and Evaluation:**
 - Review and evaluate the City's accounting and reporting processes by examining the prior year's audit workpapers, City-prepared documents such as budgets, in-house financial reports, previously issued ACFR, organizational charts, manuals, programs, policies and procedures manuals, and minutes of governance meetings.
 - Perform analytical procedures to enhance our understanding of the City and identify areas that may need further assessment and additional testing.
- **Regulatory Review:**
 - Review and retain copies of any pertinent local, state, and federal statutes, regulations, or charters that apply to the City.
 - Obtain a full population of potential compliance areas to perform testing and select a random or stratified sample, utilizing our data analytic software, to ensure a true representation of the appropriate compliance requirements are being selected.

Audit Scope and Provisions (continued)

- **Internal Control Evaluation:**
 - Obtain a thorough understanding of the City's internal controls over financial reporting and compliance by documenting key internal control components, utilizing questionnaires, walkthroughs, inquiries, and observation.
 - Evaluate the design of controls relevant to the audit and test controls, if control risk is to be assessed below maximum, by selecting a sample of transactions and reviewing supporting documentation.
- **Management Communication:**
 - Document and review any findings noted during the testing of internal controls with management.
 - Provide a preliminary management letter with recommendations for improving any weaknesses in operations and suggestions for enhancing the efficiency of the City's operations.
- **Audit Data Analytics:**
 - Utilize powerful audit data analytic software to analyze large amounts of data quickly and focus on areas/transactions that are red flagged.

IT General Controls:

- **Security Access Controls:**
 - Evaluate general system security settings, password parameters, processes for adding, deleting, and changing security access, access capabilities of various user types, access controls to networks and financial applications, data file access controls, and physical access to networks and servers.
- **Computer Operations:**
 - Evaluate backup and recovery processes and review procedures for identifying and handling operational problems.
- **System Development and Changes:**
 - Evaluate processes related to system development and system changes, if applicable.
- **Application Testing:**
 - Determine the necessity of testing application controls based on professional judgment during the planning stages of the engagement.

Audit Team: This phase will be performed by the audit senior and three to four staff accountants, under the direct supervision of the audit manager and partner.

This comprehensive approach ensures a thorough understanding of the City's financial environment and internal controls, setting a solid foundation for the audit.

Segment 2 - Year-End Testing: Substantive Testing

Objectives: During this phase, our primary objectives will be to assess the risk of material misstatement at the financial statement level and specific assertions, design overall responses to assessed risks and further audit procedures, perform substantive tests, and complete the audit while evaluating audit findings, if applicable.

Audit Scope and Provisions (continued)

Approach:

- **Risk Assessment and Audit Plan Development:**
 - Identify significant risks and develop a detailed audit plan using the results from Segment 1.
- **Design and Perform Substantive Tests:**
 - Design substantive tests of account balances tailored to the City's operations and assessed level of risk. Substantive procedures will include testing material balance sheet accounts, material revenue and expenditure/expense accounts, along with various analytical procedures as necessary.
 - Confirm various accounts with outside parties (e.g., cash, investments).
- **Risk Evaluation:**
 - Determine whether our testing supports the initially assessed level of risk at both the financial statement level and the assertion level.
- **Audit Adjustments:**
 - If any proposed audit adjustments are noted, we will discuss and explain them in detail with the appropriate level of management before posting.

Audit Team: This phase will be performed by the senior accountant and two to three staff accountants, under the direct supervision of the audit manager and partner.

Segment 3 - Reporting: Report Preparation and Audit Conclusion (Workpaper Review)

Objectives: During this phase, our principal objectives will be to evaluate whether the financial statements, as a whole, are free from material misstatement, form an opinion(s), and issue our report.

Approach:

- **Material Misstatement Evaluation:**
 - Determine, based on our substantive testing and other procedures, whether the financial statements, as a whole, are free of material misstatement. This will provide the basis for our opinion(s).
- **Workpaper Review:**
 - Review all audit workpapers to ensure the audit was performed in accordance with required standards (GAAS, GAGAS, etc.) and prepare drafts of all required reports by the agreed-upon dates.
- **Quality Control Review:**
 - Conduct an independent review of the financial statement draft by the engagement's quality control partner and issue all reports by the agreed-upon dates.

Audit Team: This phase will be performed by the audit senior and one staff accountant, under the direct supervision of the audit manager and partner. Additionally, the engagement's quality control partner will perform a detailed quality control review of the financial statements.

Customization and Communication: The procedures listed above are general. After our initial review of the City and our detailed risk assessment, we will customize the engagement to address the specifics of the City and the audit itself. We will determine which procedures to perform based on our risk assessment. All our audits are customized to each entity, ensuring a complete, effective, and efficient audit. Our approach is founded on open communication, a strong knowledge of the City's operations, and detailed planning at the initial stages of the audit.

City of Hawthorne Proposal for Professional Auditing Services

Audit Scope and Provisions (continued)

Timeliness and Resource Allocation: Our firm is dedicated to performing a timely audit engagement. Prior to the start of the audit, we will meet with City staff to agree on adequate timeframes for the performance of the audit and the release of the financial statements. We will allocate the necessary resources to meet these agreed-upon timeframes.

Level of staff and approximate number of hours assigned to each segment

Segment	Partner	Manager	Senior	Staff	Total
Segment 1	8	11	27	92	138
Segment 2	13	17	44	122	196
Segment 3	17	15	38	29	99
Totals	38	43	109	243	433

Sample sizes (including for compliance testing)

Our sample sizes will be determined in accordance with the AICPA's *Audit and Accounting Guide, Audit Sampling*, and will be selected using professional judgment or our TeamMate Analytics software, depending upon circumstance, as permitted by Statement on Auditing Standards. Our methods are designed to provide the most audit coverage without expending excess time. Our sample sizes will depend upon our preliminary assessment of control risk, our planned substantive testing and analytical procedures as well as our professional judgement.

We utilize our Computer Aided Audit Tools (CAAT) software, Teammate Analytics, to draw our audit samples. The software allows us to generate random samples, systematic samples, stratified samples, attributes samples as well as monetary unit samples (also called probability-proportional-to-size or dollar unit sampling).

Intelligent audit technology

Our audits leverage advanced technology through powerful software tools such as Engagement and Teammate Analytics. Additionally, all audit team members are connected wirelessly, enabling real-time information sharing. The benefits of our audit technologies include:

- **Teammate Analytics:** This suite of over 200 dynamic Computer Aided Audit Tools (CAATs) allows us to analyze large amounts of data in seconds. Using data directly from the City, we can search for duplicate checks, detect transactions during unusual hours or on holidays/weekends, perform Benford's Law analysis, and identify instances where a vendor has issued multiple invoices with sequential references, among many other tests. This empowers our audit teams to perform powerful and meaningful data analysis, enhancing our value-added services.
- **Customized Analytical Schedules:** We create our own analytical schedules to easily compare current balances to prior year balances and current vs. budget balances, significantly reducing the time required from City staff.
- **Real-Time Financial Statement Analysis:** Once your trial balances and financial statements are entered into our software, we can review your financial statements in the field, allowing us to notice and address any variances immediately.

Audit Scope and Provisions (continued)

- **Linked Financial Statement Schedules:** We link financial statement schedules directly to our audit software trial balances, enabling us to provide the City with fund financial statements almost immediately after importing the trial balances.
- **Audited Trial Balances:** We provide the City with audited trial balances that show the coding of the financial statement schedules, making it easier for City staff to review. These reports include each account coded to a specific financial statement line item/function and journal entries posted during the audit.

Analytical Procedures

To effectively utilize analytical procedures, industry background and knowledge are essential. With our firm's extensive experience and qualified staff, we possess the necessary knowledge to apply analytical procedures efficiently throughout our audit of the City.

- **Interim Phase:**
 - Compare current and prior year unadjusted balances to identify areas requiring additional analysis.
 - Compare current year actual amounts to the City's annual budget (both original and adopted).
- **Final Phase:**
 - Perform procedures similar to those in the interim phase.
 - Compare certain financial ratios for current and prior years.
 - Conduct reasonableness tests.
 - Investigate any significant variances further through inquiry and additional substantive testing until resolved to our satisfaction.
- **Post-Fieldwork:**
 - Compare current and prior year audited balances, considering expected relationships based on our knowledge of the City, similar entities, and the general economic environment.
 - Utilize additional analytical techniques such as trend analysis as needed.

Unlike other audit firms, we use analytical procedures to supplement, not supplant, our substantive testing, ensuring a thorough and comprehensive audit.

Auditing in a remote environment

The evolution of technology has revolutionized the accounting and auditing profession, enabling us to provide high-quality services remotely with efficiency, precision, and timeliness. During the COVID-19 pandemic, our firm adapted quickly to a fully remote audit environment and developed processes that have since become integral to our standard approach. These advancements not only enhanced the quality of our audits but also resulted in significant efficiencies for both our team and our clients.

Remote Audit Approach

- **Technology Utilization:**
 - We use secure cloud-based platforms for document sharing and management, such as Engagement Organizer, ensuring client data remains safe and accessible.
 - Video conferencing tools (e.g., Zoom, Microsoft Teams) facilitate real-time communication with City staff, enabling collaborative discussions and efficient issue resolution.
- **Workflow and Communication:**
 - **Regular Communication:** We maintain routine contact with clients throughout all phases of the audit via email, phone calls, and video meetings.

Audit Scope and Provisions (continued)

- Responsiveness: Our team prides itself on quick turnaround times for questions or issues, making remote collaboration as seamless as on-site interactions.
- **Flexibility for On-Site Presence:**
 - While we anticipate performing the majority of our work remotely, we understand that some aspects of the audit may benefit from an on-site presence. If desired, we will work with the City to determine an acceptable staffing level for in-person activities, balancing health, safety, and operational needs.

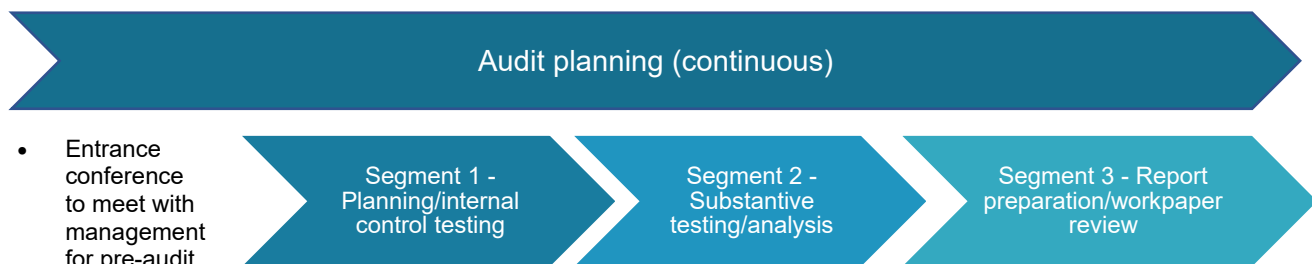
Benefits of Remote Auditing

- **Efficiency Gains:**
 - Remote auditing reduces the need for travel time, allowing both auditor and auditee to focus on the tasks at hand, resulting in faster turnaround on requests and issue resolution.
 - Immediate access to digital documents and records eliminates delays associated with physical transfers of information.
- **Enhanced Quality of Life:**
 - By minimizing travel, our staff can dedicate more time to client work and professional development, improving overall morale and productivity.
- **Environmental Impact:**
 - Reducing unnecessary travel decreases traffic congestion, lowers fuel consumption, and contributes to improved air quality in Southern California.
- **Year-Round Availability:**
 - Our remote-first approach fosters an ongoing partnership, encouraging clients to reach out throughout the year for guidance on matters that could impact the audit or their financial reporting.

City of Hawthorne Proposal for Professional Auditing Services

Audit Scope and Provisions (continued)

Proposed audit timing



- Entrance conference to meet with management for pre-audit planning.
- Preliminary risk assessment procedures.

<i>Anticipated timing of each segment</i>		
June/July	October/November	November/December
<ul style="list-style-type: none"> • Obtain an understanding of systems, internal controls, and current-year issues. • Assess and evaluate design and implementation of key internal controls (including IT related). • Perform tests of internal controls as needed. • Identify control deficiencies • Perform detailed risk assessment procedures. • Draft internal control comment letter. • Develop detailed audit plan – provide management with a detailed listing of items needed to perform the audit, including the timing of when items are needed. 	<ul style="list-style-type: none"> • Perform substantive audit fieldwork, including substantive analytical procedures. • Consider whether audit evidence is sufficient to form an opinion. • Conduct exit conference with management to discuss proposed entries, internal control issues, etc. 	<ul style="list-style-type: none"> • Determine whether, based on our substantive testing and other procedures, the financial statements, taken as a whole, are free of material misstatement. • Review all workpapers. • Evaluate financial statements and note disclosures. • Perform final analytical procedures. • Draft required reports. • Issue final required reports by or before agreed upon date of December 17th of each year, provided that all previous milestones have been achieved. • Present to governing body if requested.

Cost Data

In accordance with the Request for Proposal for Audit Services issued by the City of Hawthorne, we have included Attachment A that includes the all-inclusive maximum fee and the total hours and hourly rates by staff classification that compose the all-inclusive maximum fee.

Additional Data

Independence

Rogers, Anderson, Malody & Scott, LLP is independent of the City and any component units, as defined by general standard number two of the generally accepted auditing standards, and by the second general standard for government auditing in the U.S. Government Accountability Office's *Government Auditing Standards*.

Additional Data (continued)

License to practice in California

Rogers, Anderson, Malody & Scott, LLP is licensed to practice in the State of California. Our key professional staff, which includes the partners, managers, and supervisors, are all certified public accountants licensed to practice in the State of California and follow all applicable Board of Accountancy standards.

Firm qualifications and experience

About our firm

We were established in 1948, located at 735 E. Carnegie Drive, Suite 100, San Bernardino, California. As a comprehensive accounting firm, we offer a full spectrum of services. With over 77 years of public practice experience, we are one of the oldest, most trusted, and respected CPA firms in Southern California, specializing in auditing, accounting, and management advisory services for governmental agencies and not-for-profit organizations. Annually, we dedicate over sixteen thousand hours to our audit practice, encompassing cities, redevelopment successor agencies, water districts, other special districts, not-for-profit corporations, and joint power authorities. Our focus on government accounting and auditing is a primary commitment, ensuring we deliver top-quality services to local governments.

We recognize the importance of engaging auditors with a deep understanding of the complex and ever-evolving accounting and compliance issues that governments face today. Our firm boasts a rich history in governmental accounting and auditing, equipping us with invaluable experience, in-depth knowledge, and the technical expertise necessary to conduct high-quality governmental audits. This expertise enables us to provide exceptional service and effective solutions at competitive fees, reflecting our value to clients. Furthermore, our active participation in various industry associations ensures we stay updated on the latest issues in governmental accounting, auditing, and operations. We promptly share any valuable insights with our clients to enhance their benefit.

Our firm has a total staff of 58 people, which includes nineteen certified public accountants. The staff consists of six partners, nine managers, thirteen supervisors/senior accountants, twenty-five staff accountants, and five support staff. The audit staff consists of thirty-six members who devote over 80% of their time to municipal engagements. The engagement team assigned to the City's engagement will consist of the following full-time staff: one audit partner, one audit manager, one audit supervisor/senior, and two to three staff auditors. Additionally, the engagement partner and audit manager are technical reviewers for the GFOA ACFR Award program.

Disciplinary action

Our firm has a spotless record with no disciplinary actions taken or pending against it by state regulatory bodies or professional organizations. Additionally, there has never been any pending or settled litigation, nor any civil or criminal investigations. We are also not aware of any federal or state desk reviews or field reviews of our audits in the last three years.

Our firm has no record of substandard work.

In addition to external quality control reviews, our firm conducts annual in-house monitoring procedures that mirror the external peer review processes, ensuring ongoing compliance and quality in our audit and attest engagements.

Additional Data (continued)

External quality control review

As a member of the AICPA Private Companies Practice Section, our firm has actively participated in the "Peer Review" program since 1993. Every three years, an independent firm of certified public accountants conducts an external review of our firm. This participation ensures that our engagements, firm policies, and audit procedures consistently meet the standards set by the AICPA, the Yellow Book, and the California State Board of Accountancy. Notably, throughout our participation in this program, our firm has consistently received pass ratings from the peer reviewers.

During each peer review, an independent firm assesses our policies and procedures and inspects a representative sample of engagement workpapers and reports, including those related to governmental entities and engagements subject to the Uniform Guidance. For the year ended November 30, 2023, our firm received a pass rating. This rating indicates that our auditing practices are suitably designed and complied with, providing reasonable assurance of performing and reporting in accordance with applicable standards. The results affirm that our custom audit approach and procedures are technically sound and compliant with all relevant standards.

Grant Bennett Associates

A PROFESSIONAL CORPORATION



Report on the Firm's System of Quality Control

August 26, 2024

To Rogers, Anderson, Malody & Scott, LLP and the Peer Review Committee of the California Society of CPAs:

We have reviewed the system of quality control for the accounting and auditing practice of Rogers, Anderson, Malody & Scott, LLP (the firm) in effect for the year ended November 30, 2023. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

Firm's Responsibility

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

Peer Reviewer's Responsibility

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

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act and an audit of an employee benefit plan.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Rogers, Anderson, Malody & Scott, LLP in effect for the year ended November 30, 2023, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Rogers, Anderson, Malody & Scott, LLP has received a peer review rating of *pass*.

GRANT BENNETT ASSOCIATES
A PROFESSIONAL CORPORATION
Certified Public Accountants



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Together as One. Grant Bennett Associates is a Member of the Alliot Global Alliance of independent professional firms.

City of Hawthorne Proposal for Professional Auditing Services

Additional Data (continued)

Similar Engagements with Other Government Entities

Our firm has provided similar services to various public section agencies over the past three years. Below is a listing of those most similar to the City of Hawthorne.

Entity:	City of Chula Vista
<i>Scope of work:</i>	Financial Audit/ACFR*/Successor Agency/Single Audit/Measure Audits/BSCC Audit
<i>Date:</i>	Years ending June 30, 2024- present
<i>Engagement partner:</i>	Mrs. Gardenya Duran
<i>Total hours:</i>	Approximately 500 hours each year
<i>Contact person:</i>	Mr. Sarah Schoen, Finance Director (619) 409-3818, sschoen@chulavistaca.gov

Entity:	City of El Cajon
<i>Scope of work:</i>	City ACFR*/Successor Agency/Public Financing Authority/Single Audit/GANN limit/Measure O
<i>Date:</i>	Years ending June 30, 2008 - present
<i>Engagement partner:</i>	Mr. Scott Manno
<i>Total hours:</i>	Approximately 400 hours each year
<i>Contact person:</i>	Mr. Luca Gonzales, Financial Operations Manager, (619) 441-1543

Entity:	City of Signal Hill
<i>Scope of work:</i>	Financial Audit/ACFR*/Successor Agency/Single Audit/Measure Audits
<i>Date:</i>	Years ending June 30, 2019 - present
<i>Engagement partner:</i>	Mrs. Gardenya Duran
<i>Total hours:</i>	Approximately 250 hours each year
<i>Contact person:</i>	Ms. Siamlu Cox, Administrative Services Officer/Finance Director, (562) 989-7312, scox@cityofsignalhill.org

Entity:	City of San Marcos
<i>Scope of work:</i>	Financial Audit/ACFR*/Successor Agency/Single Audit/Measure Audits
<i>Date:</i>	Years ending June 30, 2010 - present
<i>Engagement partner:</i>	Mr. Scott Manno
<i>Total hours:</i>	Approximately 250 hours each year
<i>Contact person:</i>	Ms. Donna Apar, Finance Director, (760) 744-1050, ext. 3133, dapar@san-marcos.net

Entity:	City of San Jacinto
<i>Scope of work:</i>	Financial Audit/ Single Audit/Successor Agency
<i>Date:</i>	Years ending June 30, 2011 - present
<i>Engagement partner:</i>	Mr. Scott Manno/Mrs. Gardenya Duran
<i>Total hours:</i>	Approximately 350 hours each year
<i>Contact Person:</i>	Mr. Tom Prill, Deputy City Manager, (951) 487-7330, tprill@sanjacintoca.gov

*GFOA award recipients

Additional Data (continued)

Engagement quality control

Our internal quality control review process ensures your audit meets the highest standards. Financial reports prepared by a senior member of the engagement team undergo multiple levels of review: first by the engagement manager/supervisor, followed by the engagement partner, and finally a technical review by the engagement Quality Control partner. Additionally, all reports are proofread by at least one professional staff member. All audit workpapers are reviewed by the in-charge auditor and the partner in charge of the engagement.

Range of services

In addition to auditing services for governmental entities, our firm offers a wide range of other services, including:

- SB 341 compliance (Successor Agencies)
- Internal control agreed-upon procedures
- Finance director and accounting support services
- Studies and evaluations of financial condition and fiscal policies
- Development and review of accounting policies and procedures
- Cash management studies
- Assistance with financing and public bond offerings

Additionally, we provide accounting, auditing, attest, and consulting services to both for-profit and not-for-profit entities. Our services also include tax preparation and consulting for individuals, corporations, and partnerships. We offer complimentary tax consultation services to our municipal audit clients.

Governmental Audit Quality Center

As a member of the American Institute of CPAs *Governmental Audit Quality Center* (GAQC), we at RAMS are dedicated to maintaining the highest quality standards. Our commitment to the GAQC membership requirements includes designating a partner responsible for the quality of our governmental audit practice, establishing rigorous quality control programs, conducting annual internal inspections, and publicly sharing our peer review report findings. Our goal is to continually enhance our quality initiatives to provide the highest quality audit services possible.

Being a part of the GAQC also grants us access to comprehensive resources that further improve the quality of your audit. Our membership ensures we receive timely information on technical, legislative, and regulatory matters, which we apply to your audit to ensure compliance with current standards and regulatory changes, benefiting our clients.

Additional Data (continued)

Housing Authority and Successor Agency experience

Over the past five fiscal years, the firm has audited the Housing Authorities and Successor Agencies for the following entities:

City of South Pasadena	City of San Bernardino
City of Thousand Oaks	City of La Verne
City of San Marcos	City of San Jacinto
City of Moorpark	City of Twentynine Palms
City of Fillmore	City of La Mesa
City of Sierra Madre	City of Rosemead
City of El Cajon	City of Hawthorne
Town of Yucca Valley	City of West Covina
City of Poway	City of Claremont

Single audit experience

Many of our municipal clients, as well as other governmental and not-for-profit clients, require audits in accordance with Uniform Guidance. Recently, we have conducted single audits for numerous entities.

Our specialized Single Audits Team is led by Partners and Managers who hold Intermediate and Advanced Single Audit Certifications from the AICPA, ensuring a successful and thorough engagement.

ACFR preparation

We have extensive experience in preparing Annual Comprehensive Financial Reports (ACFR). For the fiscal years ending June 30, 2023, and 2024, our team prepared over 20 ACFRs, with each entity receiving the Certificate of Achievement for Excellence in Financial Reporting from the GFOA. For the fiscal year ending June 30, 2025, we prepared over 25 ACFRs for our clients for submission to the GFOA. Additionally, we have assisted many cities and special districts in developing their first-year reports for submission. Four of our audit partners and five of our managers/supervisory staff serve as technical reviewers for the GFOA award program. We ensure all ACFRs comply with the GFOA certificate program checklist and address any prior year comments to guarantee thorough and compliant reports.

Equal Opportunity Employer

Our firm is an equal opportunity employer committed to providing employment opportunities to all qualified individuals, regardless of race, color, sex, religion, national origin, or disability. Our diverse staff represents a wide range of cultures and ethnic backgrounds. We offer advancement opportunities based on ability, skill, and desire to progress within the firm.

City of Hawthorne Proposal for Professional Auditing Services

Additional Data (continued)

References

Our firm has proudly partnered with a wide range of government entities over the past five years, including cities, successor agencies, special districts, and Federal Single Audit engagements. The breadth of our client base reflects our deep expertise in public sector auditing and our ability to deliver high-quality, reliable service tailored to each organization's unique needs.

Because of the large number of government clients we have served, providing a complete listing for this proposal would not be practical. However, we are pleased to provide detailed client references for five current clients, including contact information, the nature of services performed, and years of service, when such information is explicitly necessary for evaluation. This ensures that the requesting agency receives the most relevant examples of our experience. If a full client list is determined to be absolutely necessary, we can provide it upon request.

Entity:	Town of Yucca Valley
Scope of work:	Financial Audit/ACFR*/Successor Agency
Date:	Years ending June 30, 2008 - present
Engagement partner:	Mr. Scott Manno
Total hours:	Approximately 350 hours each year
Contact person:	Mr. Curtis Yakimow, Town Manager (760) 369-7207

Entity:	City of Thousand Oaks
Scope of work:	Financial Audit/ACFR*/Successor Agency/Single Audit
Date:	Years ending June 30, 2018 - present
Engagement partner:	Mrs. Gardenya Duran
Total hours:	Approximately 420 hours each year
Contact person:	Ms. Elisa Quezada, Accounting Manager, (805) 449-2216, equezada@toaks.gov

Entity:	City of Sierra Madre
Scope of work:	Financial Audit/ACFR*
Date:	Years ending June 30, 2012 - present
Engagement partner:	Mr. Scott Manno/Mr. Brad Welebir
Total hours:	Approximately 300 hours each year
Contact person:	Mrs. Rait Satnam, Finance and Budget Manager, (626) 355-7135, srait@sierramadreca.gov

Entity:	City of San Dimas
Scope of work:	Financial audit/ACFR*/Single Audit/Successor Agency
Date:	Years ending June 30, 2021- present
Engagement partner:	Mrs. Gardenya Duran
Total hours:	Approximately 350 hours each year
Contact person:	Mr. Michael O'Brien Finance Director, (909) 394-6200, mobrien@sandimasca.gov

Entity:	City of Twentynine Palms
Scope of work:	Financial Audit/ACFR*/Successor Agency/Single Audit
Date:	Years ending June 30, 2010 - present
Engagement partner:	Brianna Schultz
Total hours:	Approximately 225 hours each year
Contact person:	Mrs. Abigail Hernandez, Finance Director, (760) 367-6799 ex: 1013, ahernandez@29palms.org

*GFOA award recipients

Additional Data (continued)

Identification of potential audit problems

One potential problem could be the implementation of any future GASBS. With our deep understanding of governmental accounting and auditing, constant training, and broad resources, we do not anticipate any issues during a GASB implementation. Our approach to any GASB statement implementation would be as follows: gain a thorough understanding of the pronouncement; determine applicability to the City; if applicable, discuss the statement and how it will affect the City with City staff; and provide guidance to City staff on the accounting and financial reporting implications.

Working paper retention

Rogers, Anderson, Malody & Scott, LLP will retain all workpapers and reports related to the audit for a minimum of seven (7) years, unless we are notified by the City of Hawthorne to extend that period.

City of Hawthorne

Cost Summary

Not to exceed price for proposed services schedule

In accordance with the Request for Proposal for Audit Services issued by the City of Hawthorne, the Rogers, Anderson, Malody & Scott, LLP hereby submits the following cost proposal:

	<u>FY2025/2026</u>	<u>FY2026/2027</u>	<u>FY2027/2028</u>	<u>FY2028/2029</u>	<u>FY2029/2030</u> Optional	<u>FY2030/2031</u> Optional
Basic report to be issued						
City audit and related reports	\$ 56,100	\$ 56,100	\$ 58,000	\$ 58,000	\$ 59,900	\$ 61,800
Successor Agency	5,590	5,590	5,790	5,790	5,990	6,190
Parking Authority	5,275	5,275	5,465	5,465	5,655	5,845
Housing Authority	6,025	6,025	6,240	6,240	6,455	6,670
Single Audit* and related reports	5,725	5,725	5,930	5,930	6,135	6,340
Out of pocket expenses	-	-	-	-	-	-
Total	\$ 78,715	\$ 78,715	\$ 81,425	\$ 81,425	\$ 84,135	\$ 86,845

* = for the first major program, each additional major program \$4,750 for fiscal year 2026 and 2027, \$5,000 for fiscal years 2028 and 2029, and \$5,250 for fiscal year 2030 and 2031.

Rates for additional professional services:

<u>Position</u>	<u>FY2025/2026</u>	<u>FY2026/2027</u>	<u>FY2027/2028</u>	<u>FY2028/2029</u>	<u>FY2029/2030</u> Optional	<u>FY2030/2031</u> Optional
Partner	\$ 340	\$ 340	\$ 345	\$ 345	\$ 350	\$ 355
Manager	215	215	220	220	225	230
Senior accountant	185	185	195	195	205	215
Staff accountant	150	150	155	155	160	165
Clerical	55	55	60	60	60	65
Other	-	-	-	-	-	-

Certification: Scott Manno, CPA, CGMA is entitled to represent Rogers, Anderson, Malody & Scott, LLP, empowered to submit the bid, and is authorized to sign a contract with the City of Hawthorne. In addition, we can comply with the requirements of the professional services agreement and insurance requirements.



Scott Manno, CPA, CGMA
Partner

City of Hawthorne
Schedule of professional fees and expenses
For the audit of the June 30, 2026 Financial Statements

	Standard Hourly Rates	Quoted Hourly Rates	Hours	Total
Partners	\$ 450	\$ 340	38	\$ 12,920
Manager	230	215	42	9,030
Senior	210	185	109	20,165
Staff	185	150	244	36,600
			<u>433</u>	
Total for audit services				78,715
Out-of-pocket expenses				-
Meals and lodging				-
Transportation				-
Other (specify): _____				-
Total all-inclusive maximum price for 2026 audit				<u>\$ 78,715</u>



City of Hawthorne
Schedule of professional fees and expenses
For the audit of the June 30, 2027 Financial Statements

	Standard Hourly Rates	Quoted Hourly Rates	Hours	Total
Partners	\$ 455	\$ 340	38	\$ 12,920
Manager	235	215	42	9,030
Senior	215	185	109	20,165
Staff	190	150	<u>244</u>	<u>36,600</u>
			<u>433</u>	
Total for audit services				78,715
Out-of-pocket expenses				-
Meals and lodging				-
Transportation				-
Other (specify): _____				<u>-</u>
Total all-inclusive maximum price for 2027 audit				<u>\$ 78,715</u>



City of Hawthorne
Schedule of professional fees and expenses
For the audit of the June 30, 2028 Financial Statements

	Standard Hourly Rates	Quoted Hourly Rates	Hours	Total
Partners	\$ 460	\$ 345	38	\$ 13,110
Manager	240	220	42	9,240
Senior	220	195	109	21,255
Staff	195	155	<u>244</u>	<u>37,820</u>
			<u>433</u>	
Total for audit services				81,425
Out-of-pocket expenses				-
Meals and lodging				-
Transportation				-
Other (specify): _____				<u>-</u>
Total all-inclusive maximum price for 2028 audit				<u>\$ 81,425</u>



City of Hawthorne
Schedule of professional fees and expenses
For the audit of the June 30, 2029 Financial Statements

	Standard Hourly Rates	Quoted Hourly Rates	Hours	Total
Partners	\$ 465	\$ 345	38	\$ 13,110
Manager	245	220	42	9,240
Senior	225	195	109	21,255
Staff	200	155	<u>244</u>	<u>37,820</u>
			<u>433</u>	
Total for audit services				81,425
Out-of-pocket expenses				-
Meals and lodging				-
Transportation				-
Other (specify): _____				<u>-</u>
Total all-inclusive maximum price for 2029 audit				<u>\$ 81,425</u>



City of Hawthorne
Schedule of professional fees and expenses
For the audit of the June 30, 2030 Financial Statements

	Standard Hourly Rates	Quoted Hourly Rates	Hours	Total
Partners	\$ 470	\$ 350	38	\$ 13,300
Manager	250	225	42	9,450
Senior	230	205	109	22,345
Staff	205	160	<u>244</u>	<u>39,040</u>
			<u>433</u>	
Total for audit services				84,135
Out-of-pocket expenses				-
Meals and lodging				-
Transportation				-
Other (specify): _____				<u>-</u>
Total all-inclusive maximum price for 2030 audit				<u>\$ 84,135</u>



City of Hawthorne
Schedule of professional fees and expenses
For the audit of the June 30, 2031 Financial Statements

	Standard Hourly Rates	Quoted Hourly Rates	Hours	Total
Partners	\$ 475	\$ 355	38	\$ 13,490
Manager	255	230	42	9,660
Senior	235	215	109	23,435
Staff	210	165	244	40,260
			<u>433</u>	
Total for audit services				86,845
Out-of-pocket expenses				-
Meals and lodging				-
Transportation				-
Other (specify): _____				-
Total all-inclusive maximum price for 2031 audit				<u>\$ 86,845</u>

