September 1, 2021

Proposal for Fiscal and Compliance Audit Services
SRTA Solicitation Number: S-00009

SHASTA REGIONAL TRANSPORTATION AGENCY

Submitted By:

Eide Bailly LLP
James Ramsey, CPA, CFE
Partner

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1. Transmittal Letter

Thank you for giving Eide Bailly the opportunity to propose on fiscal and compliance audit services for Shasta Regional Transportation Agency (SRTA). We have served the government industry for more than 70 years and work with more than 1,200 government clients throughout the nation and over 300 government clients throughout California, including numerous transit agencies.

Through serving these clients, our professionals have gained focused expertise regarding government organizations and will provide you with insightful advice that aids in managing the finances of SRTA. We understand your specific challenges, needs and goals and have fine-tuned our process to create a more effective and efficient engagement.

We are confident SRTA will benefit from the experience we provide and believe we are the best candidate for this engagement for the following reasons:

Extensive Government Industry Experience. Business is about more than numbers, and we are active in the industries we serve and stay abreast of current issues impacting the government industry. We grow our knowledge by attending workshops and trainings and communicate updates and new standards back to our clients. During your engagement, we will work closely with your management team to identify issues and provide responsive solutions tailored to your organization.

Adapting to Change. Eide Bailly performs all engagements in a paperless environment. Due to the COVID-19 pandemic, Eide Bailly has learned to effectively manage our engagements remotely by proactively communicating and establishing expectations on both our team as well as our client’s teams. With the use of our online portal, My Eide Bailly, we have the ability to connect with our clients securely and the ability to transfer large files.

Depth of Resources. As a top 25 firm in the nation, our size enables us to be responsive to our clients’ needs and unique entity challenges while also providing the resources of more than 2,500 professionals with diverse skill sets and experiences across the firm. This access provides SRTA with the necessary breadth and depth of services required in today’s complex and ever-changing business environment.

Timeliness. We understand and will comply with the timing requirements and scope of services of your request. We will accomplish this by utilizing an open, collaborative process with you. Your proposed engagement team’s experience allows us to address the reporting requirements in a timely fashion.

EXPERIENCE

Our experienced professionals are committed to the industries we serve. We focus on training, and we like to think of ourselves as thought leaders.

PEOPLE

We’re a team of collaborators and innovators. Our culture is the heart of our firm, and we’re always working together to do things differently and better.

COMMUNICATION

Open, honest, frequent communication ensures that you’re not in for any surprises. We’ll stay in touch throughout the year so you feel understood, connected and confident.

CORPORATE RESPONSIBILTY

We consider ourselves good corporate citizens—caring for our people, giving back to our communities, and taking care of our environment.

Not-to-Exceed Fees. You can expect quality service at reasonable fees. Eide Bailly has established a reputation of providing quality work at a fair price. Our fees are based on the complexity of the issue and the experience level of the personnel necessary to address it. We present this proposal at a not-to-exceed fees located in **Section 6 – Cost Proposal**.

As a partner of the firm, James Ramsey may contractually bind Eide Bailly and presents this proposal as a firm and irrevocable offer through November 15, 2021.

Eide Bailly LLP

James Ramsey, CPA, CFE | Partner
916.999.8511 | jramsey@eidebailly.com
2151 River Plaza Dr #308 | Sacramento, CA 95833

Your experience will be different than working with other CPA firms because we offer knowledge and skills backed by more than 100 years of service. Our professionals deliver industry and subject matter expertise resourcefully, ensuring we are providing guidance that directly reflects your needs.

DBE Status	NAICS Code	Firm Revenue
Non-DBE	5412211	FY 2021 - $439,000,000

We Want to Work with You. We've developed the following proposal with Shasta Regional Transportation Agency in mind, and we'll provide timely, personalized services for you. We will also get to know you and your staff and take the time to understand your specific challenges and opportunities. We deliver honest and insightful advice beyond what is normally experienced in the public accounting industry. If you're still wondering "Why Eide Bailly," our tagline sums it up—what inspires you, inspires us. Your success is our success.

The following pages highlight our firm's strengths and demonstrate why Eide Bailly merits serious consideration. You will be a highly valued client, and we would be proud to work with Shasta Regional Transportation Agency and build a trusting relationship with your team. Please contact me if you would like to discuss any aspect of this proposal.

Sincerely,

James W. Ramsey

James Ramsey, CPA, CFE
Partner

2. Understanding the Scope of Work and Our Innovative Approach

Scope of Services

We understand the scope of services will include the fiscal and compliance audit of SRTA's financial statements for the fiscal years ending June 30 of 2021, 2022 and 2023, with two (2) option years, performed in accordance with:

- Government Accounting Standards Board (GASB).
- The Single Audit Act of 1984 (as amended), the U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non Profit Organizations* and the U.S. Office of Management and Budget Circular A-133, Compliance Supplement.
- California Government Code and California Code of Regulations.
- Public Utilities Code and the Transportation Development Act.
- SRTA policies and procedures.

We will also be responsible for:

- Drafting and printing of the financial statements to be completed in time for the April board meeting.
- Determination of non-transit claimants' and transit claimants' compliance with applicable California Code of Regulations (CCR).
- Prepare and submit the data collection form and Single Audit report to the Federal Audit Clearinghouse.

We welcome the opportunity to be your professional services firm and commit to providing the services listed above. In addition, we will:

- Provide ongoing help for questions, concerns and problems that arise whether they are anticipated or unexpected.
- Provide **James Ramsey** as your specific client service contact who will coordinate your service team and provide managers and staff to assist management with informed and accurate solutions.
- Provide experienced professionals who possess the depth and expertise to solve significant or complicated issues.

Audit Approach

Our audit approach is designed to collaborate with SRTA and achieve optimal results. The approach consists of five major components: Planning, Interim, Fieldwork, Reporting and Ongoing Communication. If awarded, we will discuss with management our proposed schedule, but we also have the flexibility to make any changes to meet the reporting deadlines. The objectives of each component are described in the following pages:

PLANNING

- Discuss and finalize the engagement timeline, audit approach and process.
- Discussions with management and accounting staff, including the Board, if requested, to address any risks or concerns that they may have.
- Evaluate the nature of the operating environment (for example, changes in volume, degree of system and reporting centralization, sensitivity of processed data, the impact on critical business processes, potential financial impacts, planning conversions and economic and regulatory environment).
- Review interim financial information and reports to identify significant risks and changes early.
- Review significant estimate areas and consideration of underlying assumptions early in process.
- Gain an understanding of SRTA and its reporting units and their environments.
- Document internal control systems, including IT, and related changes from prior periods.
- Consideration of fraud, risk of noncompliance, illegal acts, abuse, etc.
- Assess audit risk and identification of potential audit issues.
- Assess materiality and testing scopes to the extent possible and presentation of audit plan.
- Preparation and communication of audit request lists and work papers.
- Develop expectations regarding timing and audit progress.
- Gain understanding of single audit programs and perform an analysis of potential major federal programs.

INTERIM WORK

- Discussions with management to determine internal controls, perform walk-throughs and discuss any potential audit issues.
- Determine audit procedures by area, based on results of audit planning and risk assessment.
- Determine confirmation needs.
- Prepare listing of audit information requested from SRTA.
- Review minutes, resolutions and ordinances.
- Perform tests of legal compliance.
- Weekly updates to SRTA staff.
- Exit conference with management.

FIELDWORK – FINANCIAL STATEMENTS

- Audit areas based on risk assessment.
- Obtain and prepare schedules and analyses supporting the financial information.
- Discuss findings with management, if any.
- Discuss proposed journal entries with management, if any.
- Finalize single audit testing.
- Weekly updates to SRTA staff.
- Exit conference with management.

FIELDWORK – SINGLE AUDIT

Phase I – Risk Assessment and Planning
This phase encompasses the planning and risk assessment of your federal programs. The planning phase, if done correctly, will set the tone of the single audit as well as set the stage for an efficient and effective single audit. We will work closely with management to properly identify federal programs and clusters to determine the major programs to be tested.

The steps associated with risk assessment and planning include:

- Determine grant awards and funding increments.
- Determine the Type A and Type B thresholds.
- For any programs above the threshold (Type A) perform a review of the past two single audits and document the program risk to determine if the program is high risk or low risk.
- Make final determination of major programs to be tested based on the above steps.
- Review the applicable Uniform Guidance Compliance Supplement for any unusual items for each of the major programs, as well as determine which compliance areas are direct and material for each major program.

Phase II – Major Program Testing
After making the major program determination as noted above, we will test the major programs. Steps for each major program are as follows:

- Obtain the audit steps for each major program from the Compliance Supplement.
- Based on the direct and material compliance areas identified during the planning phase, obtain from management the process and controls relating to those direct and material compliance areas. The controls for each compliance area need to address the five components of internal control as prescribed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) as required by Uniform Guidance.
- Select samples for control and compliance testing.
- Perform control testing for effectiveness and compliance testing of selected transactions.
- Report any material weaknesses or material noncompliance to SRTA's management.
- Provide periodic meetings to discuss the status of the Single Audit testing. Any potential findings are discussed with management while our auditors are in the field and are concluded during fieldwork.

Phase III – Assessment and Reporting
The above steps are based on the preliminary Schedule of Expenditures of Federal Awards (SEFA). Once the SEFA has been finalized, we will determine if any additional major programs are to be tested.

We will perform the following steps:

- If additional major programs have been identified, perform the steps as noted in the major program testing for the new programs.
- Review the prior findings, if any, and perform steps to determine if the findings were cleared by management and do not need to be reported during the current year.
- Prepare the Schedule of Findings and Questioned Costs.
- Have an exit conference with management and key grant personnel and provide a draft report of the single audit as well as any financial statement findings required to be reported. These findings are reviewed by the manager and engagement partner prior to the exit conference. This is done so no surprises arise after we pull out of the field.

REPORTING

- Review of the financial statements by the partner over the engagement.
- Review of financial statements by a partner not otherwise associated with the audit to obtain a "second opinion" on the completeness and adequacy of financial statement disclosures and audit procedures.
- Completion of management letters and review with management.
- Preparation of other communications to management and the Board.
- Assistance with preparation of the Data Collection Form and the preparation of the reporting package for submission to the Federal Audit Clearinghouse.
- Presentation to the Board at its regularly scheduled meeting, if requested.

ONGOING COMMUNICATION

- Obtain interim financial statements throughout the year for review.
- Analyze significant changes and identify areas to further tailor our audit plans and to keep us up to date with continuing changes.
- Compare the interim results to year-end results for the past few years to identify potential issues in the financial reporting process.
- Participate periodically at your Board meetings, and any other meetings, at the Board's request.

We will hold an exit conference with management and provide periodic written or oral reports on the status of the audit to representatives of SRTA. The success of the audit is dependent on the amount of open communication throughout the year and not just during the audit period. We will work closely with management and the accounting personnel throughout the audit process and will hold weekly meetings to go over open items as well as discuss any potential accounting or compliance issues identified during the audit. We believe in no surprises. When we perform the exit conference, we will hold a final discussion on any potential findings and will come to a conclusion during the conference. Our goal is to have no additional findings subsequent to the exit conference.

3. Team Qualifications

AN EXPERIENCED SERVICE TEAM

We're passionate about our work—and your success. We have selected professionals for your service team who are the right fit for your engagement, based on their knowledge and experience in the government industry.

James Ramsey will lead the engagement team and serve as the Audit Engagement and Client Relationship Partner. **Ahmad Gharaibeh** will serve as the Consulting Partner and **Roger Alfaro** will serve as the Quality Review Partner. **Karlee Ransom** will serve as Audit Senior Manager. These professionals are licensed to practice public accounting and bring strong credentials and a desire to work with SRTA. If awarded these engagements, these individuals will serve as your primary contacts. Additional resources will support the project team as necessary.

Senior and Staff Associates

All of our seniors have more than two years of experience in public accounting, with several who specialize in the government industry. We require Yellow Book compliance for all members of our assurance staff. This means no fewer than 24 hours of specific Government Education courses each two-years. Most members of our audit staff significantly exceed that amount.

Once an agreeable timeline has been determined, we will assign a few of our talented seniors and staff to your engagement.

Staff Availability

Once engaged, we will meet with SRTA to discuss timing needs and structure our commitment of resources accordingly. We have reviewed our workload and are confident that through the size of our firm and our resources we have the capacity to serve SRTA now and in the future. We are confident we have the resources to meet your needs and all professionals are full-time employees of Eide Bailly.

Team Overview

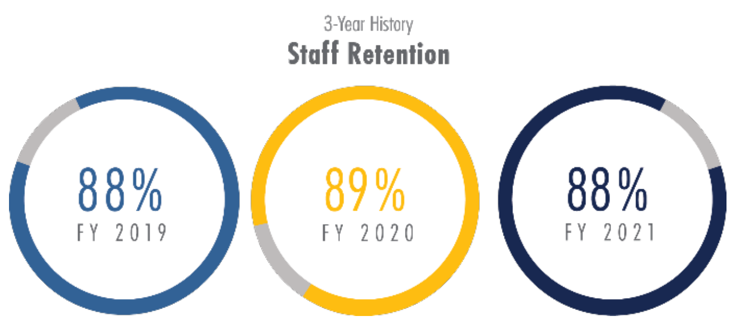
We know the importance of a strong business relationship, so we keep staffing changes to a minimum year-to-year. Eide Bailly has a high retention rate, allowing us to provide stability. You'll find profiles for each team member in **Appendix A**, including a summary of work experience. The following information will provide an overview of your service team:

Team Member	Qualifications and Experience
James Ramsey, CPA, CFE Partner	James will lead the team as the audit engagement partner for SRTA. His practice focus is working with government and nonprofit agencies throughout California providing accounting, assurance and advisory services. James has been in the government industry for over 16 years, including experience having worked both on the client side and the assurance side which enables him to provide a unique perspective to his clients. His expertise includes audits of government agencies, such as transit agencies, transportation authorities, special districts, cities, counties, and nonprofits and has performed numerous single audits. James holds licensures as a Certified Public Accountant and a Certified Fraud Examiner and is based out of our Sacramento office.
Ahmad Gharaibeh, CPA Consulting Partner	Ahmad has been conducting audits of government entities for over 22 years. He has experience in auditing transportation entities, counties, cities, redevelopment agencies, financing authorities, public utilities and the single audit. He has conducted audits of basic financial statements for several local governments whose assets exceed $20 billion and annual budgets exceeding $1 billion. His single audit experience includes the major federal program audits of transit agencies and cities including; Federal Transit Formula/Capital grants, Highway Planning and Construction Federal Rail Authority grants. Some of the major projects funded with U.S. Department of Transportation include the Bay Area Rapid Transit Extension to San Jose, the Transbay Terminal, the California High Speed Rail, all of which have federal funding exceeding $2 billion.
Roger Alfaro, CPA, CITP Technical Review Partner	Roger has more than 20 years in public accounting with his practice focus being primarily in the government industry. He's provided audit and accounting services to a variety of government agencies with assets exceeding $10 billion. His audit experience includes large transportation entities including transits, rail, airports, ports and ferry districts. Roger holds the Certified Public Accountant (CPA) and Certified Information Technology Professional (CITP) designations and is located in our Rancho Cucamonga office.
Karlee Ransom, CPA Audit Senior Manager	Karlee will serve as the senior manager and will be responsible for working closely with James to ensure quality services. She has over nine years of experience assisting clients with their assurance needs. Throughout her career, she has specialized in performing audits of government entities including transportation authorities, enterprise funds, counties, cities, special districts, and state agencies. Karlee is located in our Sacramento, California office.

Additional Resources	
Jodi Daugherty, CPA Partner-in-Charge of Government Services	Jodi joined the firm in 1995 and has extensive experience in a wide variety of public accounting services. Her client portfolio is just as diverse—she has worked with government entities, nonprofit organizations, institutions of higher education, multifamily housing projects and public housing authorities. Jodi manages audits for many of the government entities in the Pacific Northwest and also plays an active role in audits of federal awards in both the nonprofit and government sectors. Jodi has worked with various government entities, including higher education institutions, school districts, counties, cities, highway districts and housing authorities, working with several governments that prepare and submit a CAFR to the GFOA every year.
Eric Berman, CPA Partner | GASB Consultant	Eric brings more than 29 years of public accounting experience and is unique in the fact he not only possesses nationally recognized audit experience, but also preparer, educator and authorship experience. His experience includes acting as the Deputy Comptroller for the Commonwealth of Massachusetts, where he ran the State's audit for 11 years. He was also the Chief Financial Officer of the Massachusetts Water Pollution Abatement Trust and served as Vice Chairman on the Government Accounting Standards Advisory Council to GASB. Eric is a nationally recognized expert on public employee retirement systems, OPEB, derivatives, the single audit, governance and other important topics. He is also the author of the entire government library of reference information and audit programs for CCH Wolters Kluwer. His experience with states includes leadership positions with the National Association of State Auditors, Comptrollers and Treasurers. He has provided consulting expertise nationwide on a number of complex topics facing states, cities, counties and special districts.

Staff Continuity

To help ensure a strong business relationship and to minimize disruptions, we keep staffing changes to a minimum. Compared to the national average, Eide Bailly experiences a higher retention rate, which translates to providing our clients with consistent service teams. We will strive for continuity of staff for your engagement. With this continuity comes quality as team members' knowledge of your organization grows from year to year.



Should the need arise to change any of the key engagement personnel, we will notify you in writing and provide the qualifications of the proposed replacement. Upon your approval, new engagement personnel will join your service team.

Continuing Education

Because we are committed to the government industry, we provide our professionals with specific, ongoing training related to these industry issues. This investment ensures our people stay current on the unique challenges and opportunities within their industries so they are in the best position to help clients address these issues. We accomplish our regulatory and accounting standard training through attendance at various AICPA sessions.

Firmwide, our CPE program requires all professional staff obtain education that exceeds the requirements of the AICPA and where applicable, *Government Auditing Standards*. The firm places a strong emphasis on lifelong learning and recognizes the importance of developing our professionals to best serve our clients. This past year we provided our client service professionals with an average of 72 hours of professional education, compared with the 40-hour accounting industry requirement. In addition, we regularly share information among the audit teams in different offices to ensure we are providing clients with the latest thinking and best possible solutions.

Our government professionals obtain CPE through the following means:

- Government-specific seminars sponsored by the AICPA and GAQC.
- Seminars sponsored by the GFOA.
- Involvement with local chapters of the GFOA (we teach and attend GFOA conferences, regularly).
- Eide Bailly seminars specific to government issues taught by our experienced managers and partners.

By expanding our knowledge of issues important to government organizations, we can provide more in-depth, knowledgeable solutions to our clients. Additional communication, webinars and training are provided throughout the year on a variety of topics important to state and local governments.

WHAT INSPIRES YOU, INSPIRES US

Your experience will be different than working with other CPA firms because we offer knowledge and skills backed by more than 100 years of service. Our professionals deliver industry and subject matter expertise resourcefully, ensuring we are providing guidance that directly reflects your needs. Our clients benefit from local, personal service and, at the same time, enjoy access to more than 2,500 professionals with diverse skill sets and experiences.

Navigating a Path to Success Together

By embracing change and focusing on innovative ideas, we've grown along with our clients to become one of the top 25 accounting firms in the nation. Accounting is about numbers, but our business is about relationships.

We'll be there for you every step of the way. Talented, down-to-earth people work at our firm, and we're inspired to deliver outstanding expertise and care. We're driven to help you take on the now and the next with inspired ideas, solutions and results.

Our work with clients is more than an engagement. It's a relationship, built on values and trust—and results. When working with Eide Bailly, you will:

- Work with professionals who truly care about your business and will take the time to get to know you and your organization.
- Gain insight from our industry and service specialists to accomplish your objectives, address challenges and leverage new opportunities.
- Make better business decisions knowing you are guided by trusted advisors who care about your success.
- Appreciate our hands-on service style; we are always looking for new ways to solve your problems or help you embrace opportunities.

AT A GLANCE

TOP **25** CPA FIRM

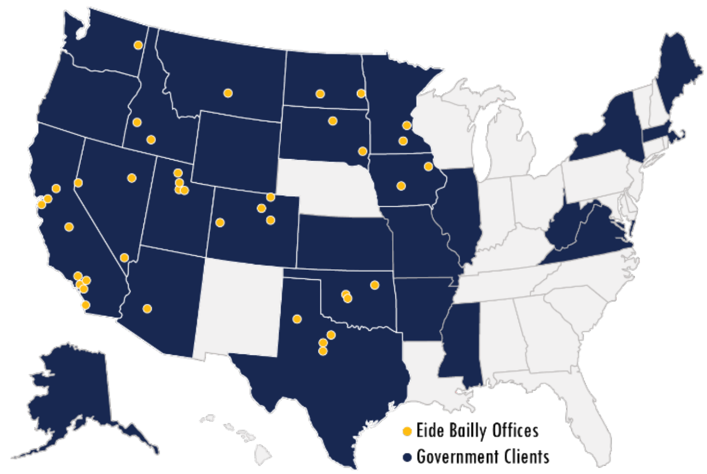
40+ OFFICES IN **14** STATES

350+ PARTNERS

2,500+ STAFF MEMBERS

FOUNDED IN **1917**

WE UNDERSTAND GOVERNMENTS



The firm has 275 full-time professionals who participate in our Government Industry Group. These professionals share information, learn from others and stay up to date on industry developments. To gain the greatest benefit, the knowledge is shared with professionals across the firm.

The government industry represents one of Eide Bailly's largest niche areas—with more than 1,200 government clients firmwide. We provide audit services for a variety of cities, counties, colleges and universities, fire relief agencies, housing authorities, school districts, state agencies and tribal entities. Through serving these clients, our professionals have gained focused expertise in the government industry and will provide you with insightful advice that aids in managing the finances of SRTA.

These services include, but are not limited to, evaluating internal control structure, assessing control risk and performing tests of controls, as well as testing compliance with applicable laws and regulations in accordance with *Government Auditing Standards*.

Government Industry Involvement

Eide Bailly prioritizes staying current with changes to the government industry. We help clients adapt to changes within the existing standards and implement any new standards. Our team members are engaged in the government industry and are well positioned in organizations associated with government entities. We are leaders in the Governmental Accounting Standards Advisory Council (GASAC), the AICPA's Governmental Audit Quality Center, AICPA State and Local Government Expert Panel, Private Companies Practice Section (PCPS) Technical Committee, local and national boards of the Association of Government Accountants (AGA), including the Financial Management Standards Board, and the review committee for the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting. Due to our leadership positions, SRTA will have access to information not available from other accounting firms.

Eide Bailly also regularly attends Governmental Accounting Standards Board (GASB) meetings throughout the year, and we communicate the results of those meetings to our clients through our newsletters, e-blasts and webinars. We are also involved with GASB's financial reporting reexamination task force shaping the future of state and local government accounting and reporting and participate in the reexamination of the revenue and expense model and note disclosure projects with GASB.

Single Audit Experience

We have experience providing single audits related to federal expenditures which ensure our clients remain compliant. Our single audits include an audit of both the financial statements and the federal awards. We also assist in the preparation of the data collection form and prepare the reporting package for submission to the federal audit clearinghouse.

Eide Bailly audits more than $22.8 billion in federal expenditures, which provides us with extensive experience in single audits. Not only are we on the forefront of new regulations, but because of our vast experience with government entities, we are also familiar with a wide variety of federal programs.

As SRTA looks to expand its current federal programs, we can pull from our expansive database of federal programs we have audited and provide consultation on what has worked effectively for other entities. This will help SRTA establish strong controls and processes over new federal programs, rather than trying to rework controls and processes after the programs are established.

$22.8 billion in federal expenditures audited

Our single audit experience includes the Department of Education, Department of Housing and Urban Development, Department of Agriculture, Department of Commerce, Department of Interior, Department of Transportation, Department of Justice, Department of Labor, Department of the Treasury, Department of Health and Human Services, Homeland Security, National Foundation on the Arts and the Humanities, Environmental Protection Agency, Department of Energy, Office of the National Drug Control Policy, Department of Defense and the Bureau of Land Management.

Paired with our many years of experience, we are qualified to effectively work with your organization to ensure federal requirements are met.

Implementation of New Standards

In an industry where standards continually evolve and change, Eide Bailly makes it a priority to stay current and assist our clients with necessary changes. In addition to helping clients implement new standards, we also help them adapt to changes within the existing standards.

Additionally, several Eide Bailly professionals serve on committees that have input into how new standards are written. This enables us to be involved from the beginning and influence the final outcome. Our clients benefit from our strong understanding of the standards and how they may affect their organization. We will work with SRTA to create a plan to address new standards one to two years prior to implementation.

GFOA Certificate of Achievement for Excellence in Financial Reporting

Because we know how important achieving the GFOA Certificate of Achievement for Excellence in Financial Reporting is to clients, we work with them to achieve this certification. Below is a summary list of some of our California government audit clients who we're under contract with for 2020 and have been awarded and currently maintain the GFOA's Certificate of Achievement for Excellence in Financial Reporting.

Cities

City of Santa Clarita
City of Redlands
City of Brea
City of Indian Wells
City of Fairfield
City of South Lake Tahoe
City of Palmdale
City of Rancho Cordova
City of Roseville
City of Rancho Mirage
City of Santa Cruz
City of South Lake Tahoe
City of Temecula
City of San Ramon
City of Campbell
City of Walnut Creek
City of Walnut
City of Glendale

Counties

County of Orange
County of San Bernardino
County of Solano

Other Agencies

Alameda County Trans. Commission
Alameda Municipal Power
Golden Gate Bridge, Hwy & Trans. District
Helix Water District
Monterey-Salinas Transit
Port of Stockton
San Mateo County Transit District
State Water Resources Electric Power Fund
Sacramento Area Council of Governments
Santa Clara Valley Trans. Authority
Santa Clara Valley Water District
State Water Resources Development System

Thought Leadership

A number of our partners are nationally recognized state and local government thought leaders who present at dozens of national venues throughout the year. These include: GFOA; National Association of State Auditors, Comptrollers and Treasurers; California Society of CPAs; California Society of Municipal Finance Officers; Oregon Government Finance Officers Association; the California State Association of County Retirement Systems; the California Association of Public Retirement Systems; AGA National Professional Development Conference; National Association of Housing and Redevelopment Officials (NAHRO); Iowa Society of CPAs; Idaho Society of CPAs; Utah Society of CPAs; and Colorado GFOA.

We also provide training for state and local agencies. Some of these agencies include: Controllers' offices of the State of Tennessee, Texas State Auditor, State of Montana, Commonwealth of Massachusetts and the State of Nevada.

Furthermore, Eric Berman, Partner, is the author for the entire Governmental Library for Commerce Clearinghouse Wolters Kluwer (CCH). This library serves as the interpretative reference on government Generally Accepted Accounting Principles (GAAP), government best practices and government audits for governments, auditors and educators nationwide. Eric will be an additional resource for SRTA and is available to assist or consult as needed.

Online Publications – SRTA will also have access to resources on our Eide Bailly Government Industry website. We publish articles related to hot issues within the government accounting arena. Below is a list of some of the recent articles posted to our website and emailed to our clients:

- Changes to Single Audit Compliance in the Wake of COVID-19.
- How to Use Operational Analytics to Lead During a Downturn.
- What You Need to Know About GASB Financial Reporting Guidance.
- Common Single Audit Findings and Remediation Series: Subrecipient Monitoring.
- How a Performance Audit Helps an Organization be More Efficient and Effective.

Webinars – We host frequent webinars dedicated to helping you and your organization navigate complex issues. Each webinar covers a different topic to help evaluate the steps necessary to achieve success and remain ahead of the curve.

Compliance Supplement Update and the Various Federal COVID-19 Acts

Tuesday, September 21, 2021 | 10:30 a.m. - 12 p.m. CDT | Register

This webinar will provide an overview of the initial release of the 2021 compliance supplement and single audit requirements in relation to the significant federal legislation due to COVID-19. We will also discuss what we have learned so far, current challenges, and future challenges.

Data Analytics in Internal Audit

Wednesday, September 8, 2021 | 11 a.m. - 12 p.m. CDT | Register

The future economy is all about data, so it is important to make sure your data is working for you! The information that can be found from analyzed data trends can help you determine where you might be vulnerable or where risks may be hidden. Utilizing data analytics in conjunction with Internal Audit gives your organization point in time response to help mitigate your exposure to risk and improve operational efficiency.

GASB 87 Leases Workshop: Part 3 – Special Issues, Implementation, GASB-94 and GASB-96

Recorded Webinar

In this third part of a three-part series, we will walk through the basics of GASB-87, focusing on special issues and implementation challenges including subleases, sale-leasebacks, lease-leasebacks, related entity leasing and how GASB-94, GASB-96 and an upcoming Omnibus may impact your GASB-87 implementation project. One or two "special issue" leases will be reviewed in detail to show why these leases will need added attention.

GASB-87 Leases Workshop: Part 2 – Lessors **Recorded Webinar**

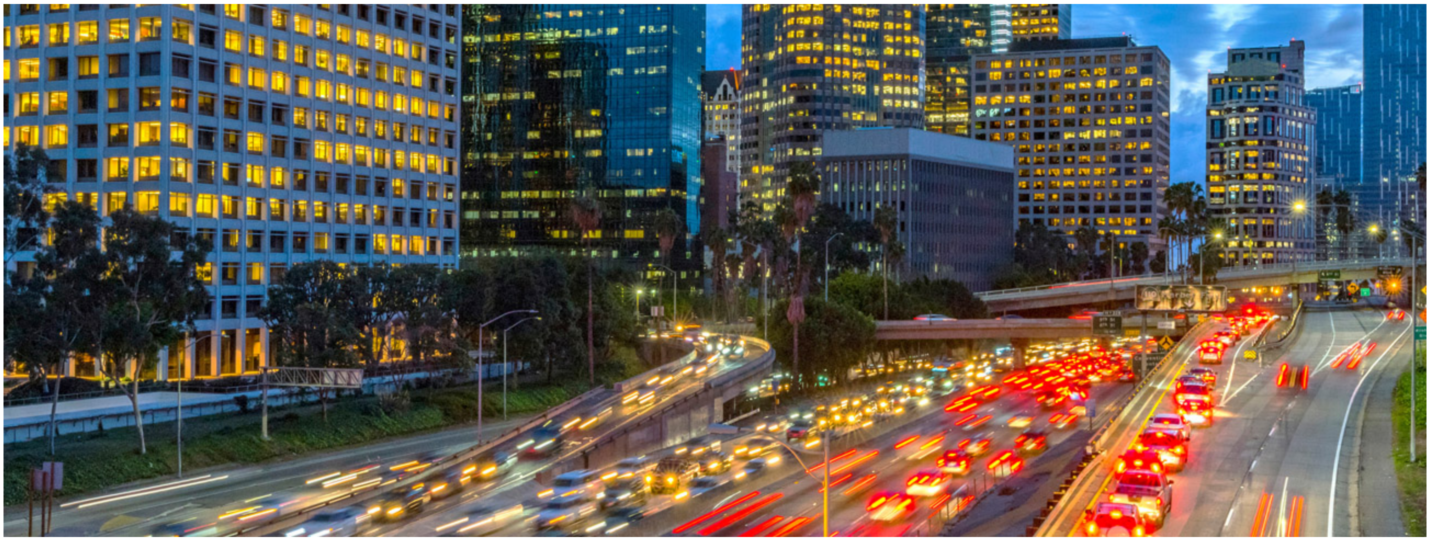
In this second part of a three-part series, we will walk through the basics of GASB-87 focusing on lessor accounting in a hands-on manner, using two to three real lease scenarios from a lessor perspective. Financial reporting and implementation provisions, as well as regulatory leases and leases that are investments, will also be discussed.

GASB-87 Leases Workshop: Part 1 – Basics and Lessees **Recorded Webinar**

Governments are in the process of gearing up for GASB-87 Leases. In this first part of a three-part series, we will walk through the basics of GASB-87, focusing on lessee accounting in a hands-on manner using two to three real lease scenarios from a lessee perspective. Policy and procedure "pain points" will also be discussed, so you can use what is discussed to review and update your policies and procedures as soon as possible.

VISIT OUR WEBSITE TO SIGN UP FOR OUR NEWSLETTERS, E-BLASTS AND WEBINARS:

www.eidebailly.com



4. Similar Projects

PUBLIC TRANSIT AND TRANSPORTATION EXPERIENCE

Our government practice is key to our firm's success and we specialize in performing audits for large California transportation agencies. Our experience includes:

- Reviewing and preparing ACFR that meet all Government Finance Officers Association (GFOA) requirements.
- Single audit [Uniform Guidance] - Programs funded by the Department of Transportation such as the Highway Planning and Construction federal program and experience with capital projects funded by the Federal Transit Administration and Federal Railroad Administration.
- National Transit Database - Attest procedures for bus, rail, demand response, ferry, vanpool, taxi, commuter bus and rapid bus modes. We are experts with the filing requirements and have assisted and advised clients about the reporting requirements.
- Sales tax measures - We have experience auditing a number of sales tax measures including Measure A of Marin, Measure B of Alameda, Measure BB of Alameda, Measure Q of Monterey, Measure M2 of Orange County, Measure B of Santa Clara and Measure A of Santa Clara and Measure I of the County of San Bernardino.
- Auditing compliance with the TDA - for sections 6661, 6663, and 6664 stipulated in the TDA Handbook including the requirements of Prop 1B.

Specifics on your proposed team's experience can be found in in their full profiles located in **Appendix A**. The following list summarizes some of our experience with transit and transportation agencies.

- Tahoe Area Regional Transit
- San Bernardino County Transportation Authority
- Alameda County Transportation Commission
- Capital Southeast Connector JPA
- Golden Gate Bridge District
- High Desert Connector JPA
- Marin Transportation Authority
- Monterey Salina Transit District
- Omnitrans
- Orange County Transportation Authority
- Peninsula Corridor Joint Powers Board
- San Joaquin Regional Rail Commission
- San Mateo County Transit District
- Santa Clara Valley Transportation Authority
- Solano County Transportation Authority
- SR 91 Express Lanes
- Transbay Joint Powers Authority
- Victor Valley Transit Authority
- North County Transit
- Metrolink
- Sacramento Area Council of Governments

CLIENT REFERENCES

As a top 25 CPA firm, we've built our business on relationships and believe our clients to be the best critics of our service.

The clients below have similarities to your organization, and we encourage you to contact them to learn about their Eide Bailly experiences.

Santa Clara Transportation Authority	**Contact**	**Grace Salandanan**, Assistant Controller | 408.321.2300 | gracita.ragni@vta.org
	Scope of Work	Annual audit, Measure A/B audit, single audit, audit of OPEB and ATU (pension).
	Date	2005–-Present
	Total Hours	1,500 hours
	Contract Value	$160,000 annually

San Mateo County Transit District and Caltrain (Bus and Rail)	**Contact**	**Grace Martinez**, Director of Finance | 650.508.6279 | Martinez@samtrans.com
	Scope of Work	ACFR preparation of PCJPB, SamTrans, and SMCTA – GFOA, Measure A, OMB Uniform Guidance Compliance, TDA compliance and AUP with respect to the NTD
	Date	2001–Present
	Total Hours	1,500 hours
	Contract Value	$160,000 annually

Orange County Transportation Authority	**Contact**	**Janet Sutter**, Executive Director | 714.560.5591 | jsutter@octa.net
	Scope of Work	TDA audit for recipients from OCTA and AUP for use of Measure M funds by local jurisdictions including local fair share and senior mobility programs.
	Date	2013–2018
	Total Hours	1,100 hours
	Contract Value	$110,000 annually

Ventura County Transportation Commission	**Contact**	**Sally DeGeorge**, Finance Director | 805.642.1591, Ext 112 | ssellers@goventura.org
	Scope of Work	Annual audit, single audit
	Date	2020–Present
	Total Hours	530 hours
	Contract Value	$49,000 annually

Sacramento Area Council of Governments	**Contact**	**Loretta Su**, Finance Director | 909.884.8276 | lsu@sacoc.org
	Scope of Work	ACFR (GOA), single audit, Proposition 1B
	Date	2013–Present
	Total Hours	500
	Contract Value	$47,000 annually

5. Work Plan and Schedule

AUDIT SCHEDULE

We understand your requested timeline and are committed to meeting your deadlines.

Eide Bailly commits to you that if your team is prepared for the audit when our team is in the field, we will meet your deadlines. We will work closely with your team through the planning stages to clearly define expectations and the items required from your team in order to facilitate an efficient audit to enable us to meet your deadline. The following table identifies the structure of our audit for SRTA and the timing of each section:

Engagement Timeline

Activity	Timing
Planning	November
Interim Fieldwork	December/January
Fieldwork	January
Exit Conference	February
Reporting	March
Ongoing Communication	**Throughout the Year**

We will meet your deadlines. By engaging in thorough audit planning and communications with management, we begin each engagement with a strong understanding of the various deadlines for each of the financial and single audits and the steps involved along the way to meet these deadlines. An audit project plan will be developed between our team and SRTA and then followed closely, and we will work with SRTA's management team to customize our auditing services and specific timelines to your needs. We believe in clear, up-front and open communication with no surprises.

Milestones and Deliverables

SRTA will experience a communication approach not often found in public accounting firms. We will provide status updates at the end of each segment of the audit. In addition, we will provide three printed copies of each report along with one electronic copy in PDF format of each report.

6. Cost Proposal

VALUE-BASED FEES

Our fees are based on the complexity of the issue and the experience level of the staff members necessary to address it. If you request additional services, we will obtain your agreement on fees before commencing work, so there are no surprises or hidden fees. We propose the following fees based on our understanding of the scope of work and the level of involvement of SRTA's staff:

Audit Engagement

	Financial Statement Audit Hours	Single Audit Hours	Total Hours	Hourly Rate	Total Fees
Partners	24	4	28	$ 250	$ 7,000
Managers	32	-	32	200	6,400
Supervisory Staff	40	-	40	140	5,600
Professional Staff	80	32	112	120	13,440
Clerical/Support Staff	16	4	20	60	1,200
Total Labor	192	40	232		33,640
Travel					Included
Discount					(3,640)
Total Max Price of Audit					**$ 30,000**

Out-of-Pocket Fees

The professional fees listed above are inclusive of all out-of-pocket expenses and you will not be billed for expenses such as travel time, mileage and meals.

Billing Policy Regarding Telephone Inquiries

We know clients appreciate access to all their service team members. We embrace this opportunity for constant communication and will ensure our team members are available when you have questions and issues. This service is included in the scope of the engagement. If a particular issue surfaces that falls outside the scope of this engagement, we'll bring it to your attention and obtain approval before proceeding.

Manner of Payment

Invoices are presented as the work progresses, with an initial invoice at the completion of the interim fieldwork, a second invoice at the completion of fieldwork and a final invoice following issuance of the audit report.

Future Year Pricing Guarantees

Our fee increases of approximately 5-7 % for future years is consistent with inflationary increases in the industry. They are contingent upon no major changes to SRTA, and that significant accounting and auditing rule changes and procedures remain consistent with current requirements. Fees do not include additional time that could be incurred due to changes to the scope of the engagement.

7. Learning of Procurement

Eide Bailly learned of SRTA Solicitation Number: S-00009 from their bid posting web page.

Additional Resources

LET US HELP YOU WITH MORE

We pride ourselves on being leaders in the government industry, offering valuable perspectives beyond our core strength of accounting and tax compliance. We are business advisors who want to help guide the strategy and operations of your organization, and we will make sure you feel connected and understand the process. Our professionals work closely together so you receive valuable service from people who understand your needs and know your business.

When you work with us, you will have access to the knowledge and talents of more than 2,500 professionals across our firm. This includes specialized tax knowledge, a full spectrum of audit/assurance services and our many specialized services, such as:

Cybersecurity

Our professionals have deep IT backgrounds, specializing in a broad range of security services and allowing us to tailor solutions to your needs. We work with every level of your organization—your boards and executives, technical IT admins and general users—to provide insight and guidance so you can be confident your data is protected.

IT Consulting

Business planning and technology strategy go hand-in-hand, like having a good offense and defense. You cannot win the game without planning for both.

Whether you want a better way to power your decision making, a simpler way to run your organization or you just want to see a return on your technology, a solid strategy always comes first. Our business consultants will help you define your goals and business needs so your technology game plan keeps you winning.

Forensic Accounting

We have seasoned professionals with years of relevant investigative experience. Our forensic accountants are experienced in assisting with internal, civil, criminal and insurance recovery investigations related to allegations of theft, fraud and accounting irregularities. The forensic methodologies and technology used by our team of specialists help get to the facts of these situations and are court proven. We understand the urgency of resolving these types of matters and take pride in delivering a quality work product in an efficient and timely matter.

National Tax Office

Eide Bailly's National Tax Office serves as a resource for clients to help analyze complex tax issues related to business decisions. Our professionals are committed to helping clients stay informed about tax news, developments and trends through various specialty areas, including accounting methods and periods, cost segregation studies, wealth transfer, state and local taxation, international tax, tax-exempt organizations, tax controversy, research and development tax incentives and tax legislation. We draw on professionals who specialize in keeping abreast of legislative actions; share updates regarding tax news, developments and trends; and have the vision to continually develop and offer services that bring value and meet our clients' changing needs. The National Tax Office regularly publishes tax update e-newsletters, insights and hosts relevant workshops and webinars to keep our clients aware of emerging issues.

State and Local Tax (SALT)

Eide Bailly offers a variety of SALT services to help your organization get into and remain in compliance. Our consulting services include registration assistance, where we can complete or review state and local tax forms, as well as respond to state inquiries and notices or assist in preparing a response. Our professionals conduct state and local tax research for clients and provide training on these tax matters. Other key SALT areas include income taxes; franchise, gross receipts and net worth taxes; sales and use taxes; credits and incentives; employment taxes; abandoned and unclaimed property; and property taxes.

The Right Choice for Shasta Regional Transportation Agency

BUILDING A SUCCESSFUL RELATIONSHIP

To us, work is not just work; we see it as a chance to help you solve problems, achieve goals and pursue passions. After thoughtfully reviewing your needs and taking the time to understand your business, we think we are the best fit for this opportunity.

We can connect you with the knowledge, resources and solutions that help bring confidence to your business decisions. We want to work with you!

If you have questions or would like additional information, do not hesitate to contact us. We want to make sure you have everything you need to make your decision.

James Ramsey, CPA, CFE
Partner
916.999.8511
jramsey@eidebailly.com

We Want to Work with You

We are driven to help clients take on the now and the next with inspired ideas, solutions and results. We look forward to working with you.

Appendix A – Team Profiles

TEAM PROFILES

JAMES W RAMSEY, CPA, CFE

Partner

INSPIRATION: My favorite part of the job is getting to know my clients and providing them with excellent service. I particularly enjoy when they bring a complex problem that requires a lot of collaboration and research.

916.999.8511 | jramsey@eidebailly.com

James works with government and nonprofit agencies throughout California providing accounting, assurance and advisory services. He has worked both on the client side and the assurance side and is able to provide this unique perspective to his clients. His expertise includes audits of government agencies, nonprofits and the performance of single audits. James is also a presenter for his clients presenting on topics including reporting, single audit and updates to U.S. GAAP.

Before going into public accounting, James began his career in the Finance department of a small city and performed most, if not all, of the functions of a finance department during his seven years there. This unique background and expertise allow James to provide more focused advisory services and solutions to his clients.

When not working, James unplugs by going on a long run on the American River Parkway in Sacramento or in the trails around Lake Tahoe.

Client Work

Provides audit and other assurance services to government and nonprofit clients of varying sizes.

Communicates and presents on upcoming changes and implementation of U.S. GAAP and single audits.

Memberships

American Institute of Certified Public Accountants

California Society of CPAs

Association of Certified Fraud Examiners

Designation/Licensures

Certified Public Accountant

Certified Fraud Examiner

Education

Master of Accountancy – California State University, San Bernardino

Bachelor of Business Administration, Accounting – California State University, San Bernardino

AHMAD GHARAIBEH, CPA

Partner

650.223.6103 | agharaibeh@eidebailly.com

Ahmad provides audit and accounting services to a variety of organizations focusing primarily on municipalities, water districts, joint powers authorities, transportation agencies, K-12 school districts and county offices of education.

He has performed the financial and compliance audits of federal awards in accordance with Uniform Guidance requirements to entities receiving over $100 million in federal funds. His single audit experience includes audits of programs from the Department of Transportation, Department of Education, Department of Defense, Department of Health and Human Services and a variety of other agencies.

In addition to audits of government agencies, he provides audit and accounting services to commercial industry entities, including health care and manufacturing.

Memberships

California Society of Certified Public Accountants

American Institute of Certified Public Accountants

Designation/Licensures

Certified Public Accountant

Education

Master of Accountancy - East Tennessee State University

ROGER ALFARO, CPA, CITP

Partner

909.755.2829 | ralfaro@eidebailly.com

Roger provides accounting, audit and advisory services to commercial and government entities throughout California. His experience includes manufacturing, healthcare, nonprofit and government entities including cities, counties, special districts and state agencies.

Roger began his professional career with a Big 4 International firm working with large commercial and government entities. His expertise includes the complex accounting and regulatory requirements for single audit compliance, and he is recognized as a leader in Uniform Guidance audit requirements. He has conducted financial statement audits for commercial and public companies and single audits for government agencies with assets exceeding $1 billion.

As a speaker and trainer, Roger has provided individualized workshops focusing on reporting requirements, new accounting pronouncements and AICPA professional standards. His expertise in this area is recognized by his clients, his peers and staff.

Memberships

American Institute of Certified Public Accountants

California Society of Certified Public Accountants

Government finance Officers Association (GFOA) Certificate Program Special Review Committee

Designation/Licensures

Certified Public Accountant

Certified Information Technology Professional

Education

Bachelor of Science, Business Administration – California State University, San Bernardino

KARLEE RANSOM, CPA

Senior Manager

916.999.8506 | kransom@eidebailly.com

Karlee has over nine years of experience assisting clients with their assurance needs. Throughout her career, she has specialized in performing audits of government entities including counties, cities, special districts, state agencies and standalone enterprise funds. She also has extensive experience in performing single audits and assisting clients to ensure they comply the requirements of the Uniform Guidance. As a lead project manager, Karlee manages all parts of the engagement from start to finish and serves as a resource for any client needs. She has experience in leading assurance engagements for a variety of clients, from larger entities that hold financial statement line items worth billions of dollars to small special districts.

She believes that proper planning, organization and ongoing communication throughout the year are the keys to a successful engagement for entities of any size. Karlee always delivers timely work to meet her client's internal and external deadlines and she is available to serve as a resource and assist clients throughout the year. She also provides insight to clients on issues that may arise including complex accounting transactions, new accounting standards and understanding best practices in internal controls.

Client Work

Worked with various government entities leading assurance engagement teams through planning, performing and supervising engagements.

Provides financial statement auditing and compliance testing, including single audits required by Uniform Guidance.

Serves as a resource to provide expertise on accounting issues throughout the audit process as well as the rest of the year.

Provided training to our audit associates through inhouse conferences to ensure consistency and knowledge throughout the entire team providing services to our clients. She also provides training on audit and accounting updates for many of her governmental clients and presents at Continuing Professional Education (CPE) events hosted by the firm for our government clients and industry groups.

Memberships

American Institute of Certified Public Accountants

California Society of Certified Public Accountants

Designation/Licensures

Certified Public Accountant

Education

Bachelor of Science, Business Administration - California State University, Sacramento

Caring for our external and internal clients with a passion to go the extra mile.

Respecting our peers and their individual contributions.

Conducting ourselves with the highest level of integrity at all times.

Trusting and supporting one another.

Being accountable for the overall success of the firm,
not just individual or office success.

Stretching ourselves to be innovative and creative, while managing the related risks.

Recognizing the importance of maintaining a balance between work and home life.

Promoting positive working relationships.

And, most of all, enjoying our jobs ... and having fun!

EideBailly®