



**City of Yachats  
Finance Committee Meeting  
To Be Held Via Zoom & In Person  
Thursday, January 15, 2026, 2:00 PM**

**In Person Meeting Location:**

Commons Building, Civic Meeting Room 1  
441 N. Hwy 101, Yachats OR 97498

Join Zoom Meeting

<https://us02web.zoom.us/j/82455077267>

Meeting ID: 824 5507 7267

**Agenda**

**Work Session**

**Regular Session**

- I. Call to Order**
- II. Announcements & Correspondence**
- III. Citizens' Concerns** (limited to items not on the Agenda, 5-minute limitation per person)
- IV. Reports**
  - a. CIP Spending Report
    - i. CIP Spending Report - General Fund  
[IGNORE\_INDENT]
    - ii. CIP Spending Report - Public Works  
[IGNORE\_INDENT]
- V. New Business**

- a. Vote on Auditor
  - i. Audit Proposal – Umpqua Valley Financial  
[IGNORE\_INDENT]
  - ii. Audit Proposal – Baker Tilly  
[IGNORE\_INDENT]
- b. Start CIP Budgeting for 2026/2027

**VI. Ongoing Business**

**VII. Other Business**

- a. From Committee
- b. From Staff

**VIII. Adjourn**

This meeting is open to the public and interested citizens are invited to attend via Zoom. These are open meetings under Oregon law, but a work session is not a community forum; audience participation is at the discretion of the Council. Meetings are audio-recorded. The meetings are accessible to persons with disabilities. For accommodations, please call (541) 547-3565, or Oregon Relay 1-800-735-2900 TDD) two days in advance. City of Yachats does not discriminate on the basis of race, color, religion, creed, gender, national origin, age, disability, marital or veteran status, sexual orientation, or any other legally protected status. POSTED January 12, 2026 By: Neal Morphis, City Clerk

			Anticipated	Grants/Gifts	Grants/Gifts
			Invoices	Received	Anticipated
<b>STREETS</b>					
		<b>Budget</b>			
		<b>Spending</b>			
	Loma to River Rd General Engineering	20,000			
E2PHS3ST	Loma to River Rd General Construction	30,000	47,511.40		
STRTPV26	Street Repairs	110,000	90,306.36		
	West 3rd Street Engineering - Streets	5,000			
CRSWLKFL	Crosswalk Flashers		3,110.00		
OCEANVIE	OCEANVIEW DRIVE DELINEATORS		3,567.17		
<b>TOTAL GENERAL STREETS BEFORE CAPITALIZED LABOR</b>		<b>165,000</b>	<b>144,494.93</b>		
<b>STORM DRAINS</b>					
		<b>Budget</b>			
		<b>Spending</b>			
	Loma to River Rd Storm Drains	40,000	37590		
MARINESDR	Marine/101 Storm Drain	60,000			
	Overlook Drive Storm Drain Upgrade Engineering and Const	0		10000	
	West 3rd Street Engineering - Storm Drains	7,000	948.5		
<b>TOTAL STORMS BEFORE CAPITALIZED LABOR</b>		<b>107,000</b>	<b>38,538.50</b>		
<b>CITY SERVICES (CITY HALL)</b>					
		<b>Budget</b>			
		<b>Spending</b>			
	Conex Replacement and Supplies	11000	4373.11		
	Code Compliance Vehicle	10000			
	Radar Speed Trailer	13000		13000	
CHLTUPGR	City Hall Lighting Upgrade	6000	5935		
TROLLEY1	Trolley Purchase	121000	127324		50000
	Security Upgrade	5000			
<b>TOTAL CITY SERVICES BEFORE CAPITALIZED LABOR</b>		<b>166000</b>	<b>137632.11</b>		
<b>PARKS &amp; TRAILS</b>					
		<b>Budget</b>			
		<b>Spending</b>			
BOARDWLK	Boardwalk Construction	250000	9535.46	750	732,696.00
	Underground Utilities	100000			
<b>TOTAL PARKS &amp; TRAILS BEFORE CAPITALIZED LABOR</b>		<b>350000</b>	<b>9535.46</b>		
<b>COMMONS</b>					
		<b>Budget</b>			
		<b>Spending</b>			
	Emergency Shelter - Commons	10000			
COMMSDLT	Sound / Lighting Updates	50000	49985.41		
	Generator Rehousing and Relocation - Resiliency Measure	15000			
CIVICMP	Park Plan / Civic Plan / Masterplan	20000	5025		
COMRSTRM	Public Restroom	25000	19137.37	28766	
	Stairs NE Entrance	45000			
COMMPAV1	Pavilion Upgrades	160000	-4781.05	23700	
COMMADDI	Commons Addition for YYFAP - Geotech Study	0	15939		
COMMSDAC	Commons Acoustic Panels MP Room	0	15060		
<b>TOTAL COMMONS BEFORE CAPITALIZED LABOR</b>		<b>325000</b>	<b>100365.73</b>		
<b>LIBRARY</b>					
		<b>Budget</b>			
		<b>Spending</b>			
LIBRARY1-FURNISHG	Preconstruction and Construction	880000	871744.1	2748.6	340,000.00
	Interior Finishing	100000	61945.32	74434.56	
	Interior Wall Felt	25000			
<b>TOTAL LIBRARY BEFORE CAPITALIZED LABOR</b>		<b>1,005,000.00</b>	<b>933,689.42</b>		
<b>LITTLE LOG CHURCH MUSEUM</b>					
		<b>Budget</b>			
		<b>Spending</b>			
LLCMRENO	LLCM Rehabilitation	285000	86800.29	75000	130,000.00
<b>TOTAL GENERAL FUND BEFORE CAPITALIZED LABOR</b>		<b>2,403,000.00</b>	<b>1,451,056.44</b>		

FUND/CODE	PRIORITY	MASTERPLAN	DEPARTMENT / DETAIL	Budget	Spending	Anticipated Invoices	Grants/Gifts Received	Grants/Gifts Anticipated
				2025-2026				
<b>ENTERPRISE</b>				<b>WATER (WTP)</b>				
E2PHS3WL	1	M/P D-13	2ND ST PH3 Loma to River Rd Waterline Construction	284,000	281,529.91			
SWLCWPUD	1	M/P S-03	Analysis / Engineering SWLCWPUD	50,000	11,157.25			
REEDYIMP	1	M/P S-05	Reedy Creek Raw Water Pipeline Improvements	300,000	7,801.50			
WTPUPGRD	1	M/P T-01	WTP Upgrade CIP Annually	30,000	28,707.76	19,000		
3STIMPWL	2	M/P D-08	West Third Street Engineering Water	30,000	948.50	10,000		
WTRSPJ26 + WTDESDEV	2	M/P ST-04	Feasibility Study For Water Tank - New Reservoir Site	210,000	130,111.86		20,000.00	80,000.00
			Property Acquisition for Reservoir Replacement	750,000				
HYDRTIMP			Annual Hydrant Replacements	30,000	29,952.63			
			Blackstone 126 res Fence	25,000				
WELECGT0			Public Works Slide Gate		20,075.03			
WTPSCADA			SCADA Upgrade	30,000		15,000		
			Water Booster Stations Gensets	80,000				
METERUPG			Water Meter Upgrades	25,000	15,710.62	5,000		
			Water Treatment Plant Fence	20,000				
			Water Unplanned / Contingency	25,000				
OVERLKWL			Overlook Waterline Engineering	0		15,000		
<b>TOTAL WTP BEFORE CAPITALIZED LABOR</b>				<b>1,889,000</b>	<b>525,995.06</b>	<b>64,000</b>		

<b>ENTERPRISE</b>				<b>WASTEWATER (WWTP)</b>				
	1	M/P G-02	Mainline A Manhole between A-040 to A-050	15,000				
	1	M/P G-04	Hanley Drive Sewer Manholes	20,000				
	1	M/P P-03	Quiet Water Lift Station Improvements	50,000				
	1	M/P T-05	Outfall Pipeline Improvements	30,000				
	2	M/P F-01	Pontiac Lift Station Force Main Engineering	12,000				
	2	M/P F-02	Riverside Lift Station Force Main Engineering	33,000				
MLSUPGRD	2	M/P P-04	Main Lift Station Improve	166,000	48,513.00			
			Annual Inflow and Infiltration (I&I) Rehabilitation	40,000				
WWELECGT			Public Works Slide Gate		18,849.00			
E2PHS3WW			2ND PH3 Loma to River Rd Wasteline Construction	50,000	47,589.12			
WWTPUPGD			Wastewater Treatment Plant Upgrades	85,000	19,693.53	64,000		
949YRRIM			949 Yachats River Rd Property Improvements	58,000	5,827.12			
3STIMPSL			West 3rd Street Engineering Wastewater	10,000	948.50			
PWDESNST			Public Works Design Standards	0		2,000		
			Wastewater Unplanned / Contingency	25,000				
<b>TOTAL WWTP BEFORE CAPITALIZED LABOR</b>				<b>594,000</b>	<b>141,420.27</b>	<b>66,000</b>		
<b>TOTAL ENTERPRISE BEFORE CAPITALIZED LABOR</b>				<b>2,483,000</b>	<b>667,415.33</b>			

# UMPQUA VALLEY FINANCIAL, LLC

## MUNICIPAL AUDITING SERVICES PROPOSAL

**For  
City of Yachats**



**From**



**Proposal date: Jan 08 2026**

**For the Fiscal Year Ending  
June 30, 2026  
(and additional years)**

**Contact Person:**

Savannah Halter – Communications Manager

Faiez Farishta—Director of Operations

171 NE Exchange Avenue

Roseburg, OR 97470

(541) 677-8100

FAX (541) 464-8560

E-mail: [savannah@oregoncpas.com](mailto:savannah@oregoncpas.com)

E-mail [Faiez@oregoncpas.com](mailto:Faiez@oregoncpas.com)

# AUDIT PROPOSAL

## TABLE OF CONTENTS

Transmittal Letter .....	3-4
Firm Profile & History .....	5-9
Audit Approach .....	10-14
Proposed Audit Team .....	15-19
Proposed Fees.....	20-21
Proposed Schedule.....	22
References .....	23
Letters of Recommendation .....	24-30
Sample Management Letter.....	31-33



Jan 8 2026

City of Yachats  
PO Box 345  
Yachats, Oregon 97498

Dear City Staff,

Thank you for the opportunity to present this proposal for providing audit services to the City of Yachats for the fiscal year ending June 30, 2026, and beyond.

We are excited about the potential opportunity to engage and believe we are well suited to support the City based on our approach and experience. Our firm has provided municipal auditing services for over 30 years. Today, we currently serve cities, school districts, counties and other special districts all across the state of Oregon, who have engaged us to perform their annual audit with an average engagement of over eight years. We also now serve as the financial services provider to a local school district, which we believe adds substantial value as an outside partner and advisor to other local governments that seek our advice and adds value to the quality and effectiveness of the audit services we provide.

We are committed to providing exceptional auditing and financial services to local governments. With 50+ years of combined governmental auditing and consulting experience among our staff, we are very aware of what helps local governments function best, and what challenges them most. Our audit team members are a solid, well-trained group with the skills, knowledge, and experience to work for the benefit of the City.

As in the past, there have been numerous changes to auditing requirements and governmental financial reporting standards. To keep up with all those changes, we dedicate more than 40 hours per person per year in training programs and in the development of new and refined audit processes. You can expect to work with a quality audit team who will provide you with current, accurate guidance any time you need, and whenever we find it useful or necessary to keep you up to date on matters relevant to the City.

As part of our audit approach, we will provide, for City managers and staff who are responsible for providing audit documents, an online portal in order to securely send us audit-related files and documents throughout the year, at your convenience.

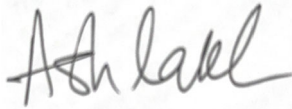
In addition to scheduled time on-site, we will dedicate time during the audit and throughout the year to:

- Discuss with management improvements to policies and procedures for all activities of the City.
- Develop suggestions to improve the efficiency and effectiveness of the accounting systems.
- Promote internal controls to minimize the risk of material misstatements due to errors, omissions, or fraud, and
- Encourage effective controls for compliance with rules and regulations related to accounting, budgeting, grant administration, and contracting.

Our firm is committed to providing local governments with auditing and other professional services. Our staff's dedication to that work elevates our qualifications to an extremely high level of professional expertise.

Please contact us if you have any questions or concerns about our audit capabilities, our audit approach, or any other details of this proposal.

Very truly yours,



Ash Lakhani Farishta, CPA

Umpqua Valley Financial, LLC  
171 NE Exchange Ave  
Roseburg, OR 97470

Phone (541) 677-8100

Fax (541) 464-8560

[www.uvfinancial.com](http://www.uvfinancial.com)

[Ash@oregoncpas.com](mailto:Ash@oregoncpas.com)

**FIRM & STAFF PROFILE**

Contact Information :

**Umpqua Valley Financial, LLC**  
171 NE Exchange Avenue  
Roseburg, OR 97470  
Phone 541.677.8100  
Fax 541.464.8560  
www.oregoncpas.com  
E-mail: savannah@oregoncpas.com  
Federal EIN: 82-5425527

The firm is an equal opportunity Oregon professional corporation registered with the Oregon Secretary of State Corporation Division.

**HISTORY AND AUTHORITY OF THE FIRM**

Umpqua Valley Financial, LLC a local CPA firm founded in 1993 by Steve Tuchscherer, CPA. In 2024, ownership transitioned to Ash and Faiez Farishta, ushering in a new chapter for the firm.

The firm employs thirteen professional and managerial staff, and four administrative staff.

The firm is currently licensed by the Oregon State Board of Accountancy to practice in the State of Oregon. The Firm license number is 2777.

Ashraf Lakhani Farishta, CPA holds Oregon CPA license #16506, and Oregon Municipal Auditor license #1692. Both licenses are current and valid.

Steve Tuchscherer, CPA, who is now the engagement quality control partner and reviewer, holds Oregon CPA license #7097 and Oregon Municipal Auditor license #1114. Both licenses are current and valid.

Steve Tuchscherer, CPA is a member of the Governmental Audit Quality Center.

**INDEPENDENCE**

All members of the firm are independent of the City as defined by generally accepted auditing standards and the US General Accounting Office's *Government Auditing Standards*, as required by the AICPA Code of Professional Conduct. All staff members are required to make annual independence representations, which are kept on file in our office.

**PERSONNEL**

<b>Positions</b>	<b>Number of Staff</b>
<b>Owners/President</b>	2
<b>Managers &amp; Senior Staff</b>	4
<b>Professional Staff</b>	7
<b>Support Staff</b>	4
<b>Total</b>	<b>17</b>

**RANGE OF SERVICES**

We specialize in providing auditing, accounting, and consulting services to municipalities, special districts and not-for-profit entities. We also provide a full range of tax planning and preparation services for individuals and businesses, payroll services, as well as management advisory and consulting services, budgeting and financial projections. Additionally, we provide full-cycle business services for a local school district, using iVisions software.

**PEER REVIEW**

Ashraf Lakhani Farishta is a member of the American Institute of Certified Public Accountants (AICPA), which manages a Peer Review Program that is designed to assure the public that CPA firms provide services of the highest quality.

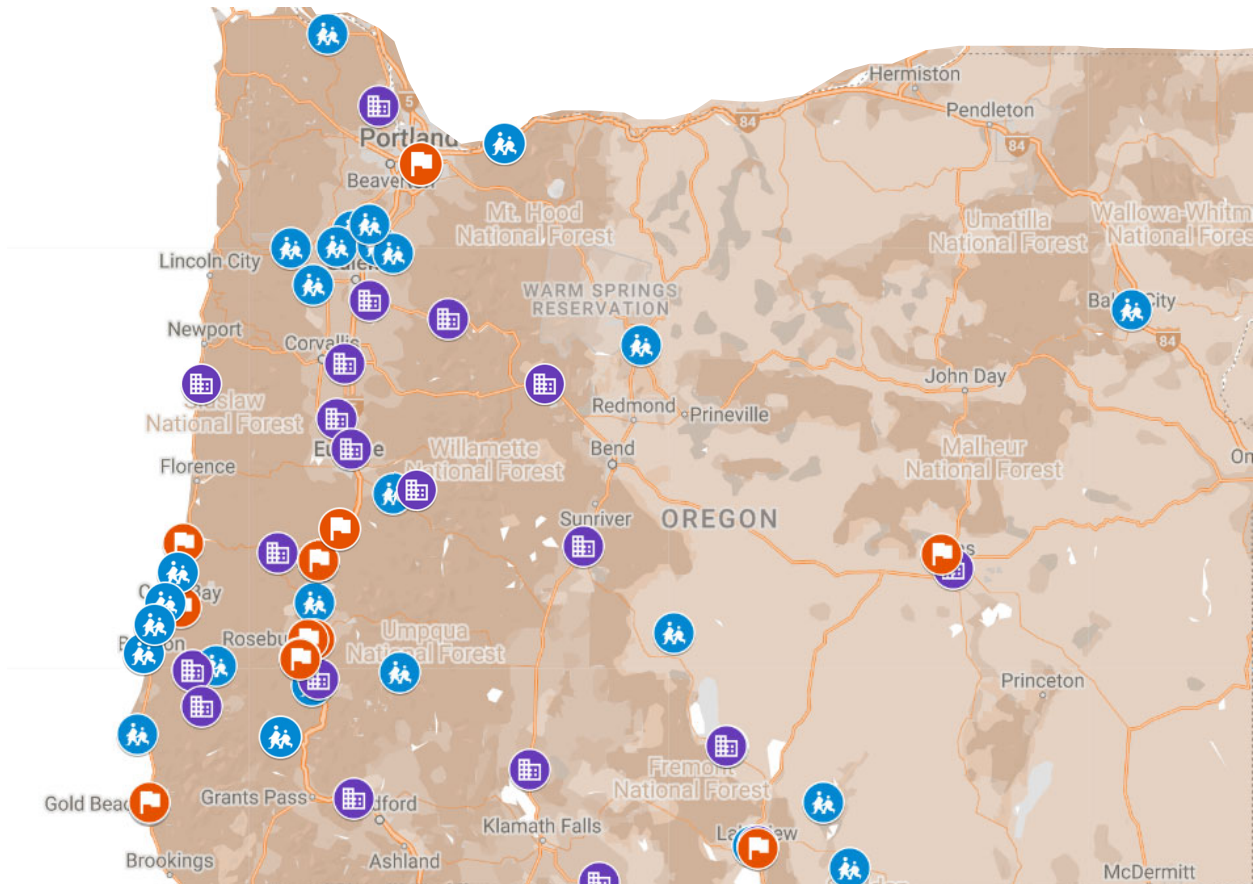
*SAMPLE OF CURRENT AUDIT CLIENTS*

Governmental Entity	Contact Person	Phone	Served since
Grant County	Julie Ellison	541-575-1798	2024
Curry County Soil and Water Conservation District	Liesl Coleman	541-247-2755	2014
Adel School District	Chandra Cahill	541-835-2171	2018
Amity School District	Ann Adams	503-835-2171	2002
City of Culver	Sheri Stirewalt	541-546-6494	2024
Chiloquin, City of	Teresa Foreman	541-783-2717	2015
Coburg, City of	Adam Hanks	541-682-7871	2015
Bandon School District	Amanda Steimonts	541-347-4411	2024
Baker School District	Mitch Neilson	503-433-3205	2020
Elkton, City of	Laci Smith	541-584-2547	1996
Gates, City of	Traci Archer	503-897-2669	2022
Fair Oaks Fire District	Carol Swesso	541-832-2900	2023
Gervais School District	Caryn Davis	503-792-3803	2021
Gold Hill, City of	Lily Morgan	541-855-1525	2005
Gold Beach, City of	Anthony Pagano	541-247-7029	2022
Harrisburg, City of	Cathy Nelson	541-995-2211	2009
Lowell, City of	Layli Nichols	541-937-2157	2021
Lake County	Melanie Lasley	541-947-6030	2018
Lake County Education Service District	Sara Sarensen	541-947-3371	2018
Lakeside Rural Fire Protection District	Stephanie Stroud	541-269-1358	2013
Lakeview, Town of	Shiela Strubel	541-947-2029	2018
League of Oregon Cities	Patty Mulvihill	541-751-1649	2022
Myrtle Creek, City of	Leslie Hiscocks	541-863-3171	2017
Myrtle Point, City of	Scott Nay	541-572-2626	2020
North Lake School District	Monica Mattis	541-576.2121	2018
Paisley School District #11	Mollie O'Leary	541-943-3111	2018
Paisley, City of	Melissa Walton	541-943-3173	2019
Plush School District	Chandra Cahill	541-947-2259	2018
Port Orford-Langlois School District 2CJ	Tara Garratt	541-348-2455	2018
Port of Brookings Harbor	April Walker	541-469-2218	2023
Powers, City of	Stephanie Patterson	541-439-3331	2008
Scappoose, City of	Carol Almer	503-543-7146	2015
Sutherlin School District	Della Mock	541-459-2228	2002
Turner, City of	Pamela Ray	503-743-2155	2010
Dallas School District	Tami Montague	503-623-5594	2023
Sisters, City of	Joe O'Neill	541-563-3561	2021
Coos Bay School District	Maureen Wright	541-267-3104	2024
Winston, City of	Ann Munson	541-679-6739	2014
Coos County Airport District	Crystal Lyon	541-679-8467	2024

A copy of any of the audit reports prepared by our firm for the above entities are available for review upon request, or you may view them at the Oregon Secretary of States website at <https://secure.sos.state.or.us/muni/public.do>.

STATE-WIDE REACH AND EXPERIENCE

For additional reference, here is a map showing most of our current engagements, indicating our reach and experience across the State of Oregon as a Municipal Auditor



School District



City



Other (County, Tribe, Special District, etc.)

***PROFESSIONAL DEVELOPMENT***

The firm is committed to professional development. Each staff member in our firm participates in a minimum of 40 hours of continuing education per year. We employ a wide range of continuing professional education resources and methods to ensure that every staff member has the required knowledge to fulfill their assignments optimally, and meet professional standards established by AICPA and GOA. Educational activities include GASB updates, ethical considerations, and other audit related topics.

In order to provide professional services at the highest level, the firm maintains quality control (QC) policies and procedures. The ones that will most directly impact the City's audit include the following:

- Leadership that emphasizes ethics and integrity
- Engagement performance and documentation inspection and review by monitoring team
- Peer review of QC system and its results by external, licensed peer reviewer
- Communication and remediation of any noted deficiencies

***JUDGEMENTS***

Umpqua Valley Financial, LLC has no active or expected litigation. Nor does Umpqua Valley Financial, LLC have any financial reversals or other matters that would or will affect their viability and/or stability in any way.

***INSURANCE***

Umpqua Valley Financial, LLC carries professional liability insurance through the AICPA Professional Liability Insurance Program, with coverage provided by Continental Casualty Company.

### *APPROACH - OVERVIEW*

Ashraf Lakhani Farishta will act as the Engagement Manager and be directly involved in managing and performing critical aspects of the audit, including:

- Communications with the City's management and representatives of the City Council.
- Supervising the audit team
- Overseeing and reviewing the work throughout the engagement

Our commitment to the City is to develop and maintain a healthy working relationship with the City's management team, as well as to establish a solid line of communication with City Council members.

Our overall goal, as indicated earlier is to:

- Discuss with management improvements to policies and procedures for all activities of the City.
- Develop suggestions to improve the efficiency and effectiveness of the accounting systems.
- Promote internal controls to minimize the risk of material misstatements due to errors, omissions, or fraud, and
- Encourage effective controls for compliance with rules and regulations related to accounting, budgeting, grant administration, and contracting.

### *AUDIT APPROACH – WORK PLAN SUMMARY*

The basic elements of our audit procedures are **non-sequential** since many of the audit steps within them will be performed and re-performed as information and circumstances change. Risk-based auditing, as currently mandated, is a continuum of risk assessments developed to determine where material misstatement in the financial statements may lie. As an example of our assessment, we ask ourselves, "Have internal controls been effective in preventing, or detecting and correcting significant errors or irregularities in the Meal-Time system?" Documenting this and many similar subjective assessments, and the information on which they are based, generates a considerable amount of our audit workload. The basic elements of risk-based auditing are to:

- Gain an Understanding of the Entity to be Audited
- Communicate with Audit Client Management and Governing Body
- Assess the Risks Related to the Audit
- Analyze Financial Information
- Perform Substantive Procedures
- Perform Test of Controls
- Review Audit Documentation
- Make Conclusory Judgements
- Issue Reports

***AUDIT APPROACH – WORK PLAN DETAILS***

The remainder of this Audit Approach section of our proposal describes in greater detail what we do as we work through each of these basic elements.

**UNDERSTANDING THE ENTITY**

During our preliminary work, we will visit the City’s website and gather as much information relevant to the audit as possible. Including:

- The structure and members of the City Council and administrative staff
- Council meeting minutes
- Current and prior year budgets
- Resolutions
- Adopted budget

**COMMUNICATING WITH THE AUDIT CLIENT**

Having learned as much as possible beforehand, we will meet with management, staff and Council representatives in order to:

- Give you a chance to get familiar with who we are and how we work.
- Discuss how we can best serve the City.
- Solidify our understanding of the City and its internal controls.
- Allow each of you to express concerns about the City’s control policies and procedures.

Our meetings may be in person, over the phone, or via the internet. During our field work, we will walk through many of the financial processes at the City with the staff members who normally perform those tasks to gain a thorough understanding of the internal controls. Any deficiencies encountered, along with our recommendations, will be discussed with the appropriate management so that corrective action can be taken, documented, and, when necessary, reported. During the current pandemic, the fashion of our meeting will be guided by State and Federal mandates.

Some of our communications are required to be in writing, and some require a written response from staff, management, and City Council representatives. Whenever possible, we use email to ask additional questions or request additional information. When the information is requested, we encourage the use of our electronic portal.

**ASSESSING RISK**

Throughout our audit work, we assess and document risk. As our understanding of the City’s people, policies and procedures expand and evolve, our risk assessments change, and we modify our audit plans and procedures accordingly. This is a subjective, qualitative process, which we must then use to make objective, quantitative decisions. For each account balance in the financial statements, for each group of transactions (like revenues or expenditures), and for each disclosure in the notes to the financial statement, we will consider whether the risk of material misstatement is high enough to warrant further inquiries, testing, or verification.

## **ANALYTICAL PROCEDURES**

One of the most efficient ways to find errors or irregularities is by analyzing relevant information. We compare account balances with the current budget and the prior year's financial information. When applicable, we also evaluate a variety of ratios. We perform specific analytical procedures and document those results at both the preliminary and final review stages of the audit. Any time we discover unexpected results; we adjust our risk assessment(s) and pursue other audit procedures to validate the accuracy of an amount.

A great auditor, never stops asking the question, "Does that 'look' right?" We train our staff to think that way. We want each member of our team to constantly be looking at information with an eye for unusual amounts and circumstances, not just at specified points along the way, but at every step of the audit. We also encourage managers of our audit clients to develop and use the same skills as an important part of internal controls.

## **SUBSTANTIVE PROCEDURES - THE FIELD WORK**

A wide range of steps that we perform are considered substantive. They all equate to gathering information to provide us with assurances that amounts on the financial statements are not materially misstated.

These steps include sampling of accounting details, for example: verifying that a random selection of the utility billing accounts receivable are accurate, to demonstrate the likelihood that the total of utility billing receivables is accurate. Examining accounting records and source documents to support transactions recorded in the general ledger is also a common substantive procedure, as is examining reconciliations of various account balances with supporting documentation. As for the sampling, we will request the total activity from the relevant area or program and draw a statistically valid sample to assess adherence to applicable laws, regulations, and policies. The sample size is determined by key factors such as the desired confidence level, acceptable error rate, and the size of the population or total activity. Testing is then performed on the selected items to evaluate their impact on the audit objectives.

In the last 20 years, audit requirements have continued to compel auditors to perform risk-based auditing, which should have changed the number of substantive procedures substantially. Still, this is an audit area where we spend a significant portion of our fieldwork time. As indicated before, however, we have trimmed the typical number days we spend at clients' offices to just one, if any, by focusing our efforts on areas we identify as higher risk, and by encouraging the use technology whenever it is more efficient for all.

Many auditors continue to consume large amounts of their clients' time retrieving, copying, generating, or printing documents and reports that have little or no audit value because they are still using older methods of auditing. This should be unacceptable and is something we work very hard to avoid. The multitude of seemingly insignificant boxes full of information that you may have been asked to assemble for audits in the past may not be so seemingly insignificant. In fact, it can be an enormous effort. If we determine during our planning and subsequent adjustments to our audit procedures that a box full of information does not provide us with substantial, relevant information, we do not ask for it, and we will be clear about what it is that we do need.

**TESTS OF CONTROLS**

The reasons for testing controls are twofold. One is specific to Single Audits, in which significantly weak controls must be reported. The other more common reason for testing controls is to be able to reduce the amount of substantive testing necessary to complete the audit.

If a Single Audit is required by federal regulations, those regulations require us to perform tests of controls. Those tests of internal controls will be performed in relation to controls over financial reporting and over compliance with major federal award programs.

**REVIEW, CONCLUDE, REPORT**

As audit procedures are completed, we will technically review them for completeness, accuracy, and compliance with generally accepted auditing standards and with GAO's *Governmental Auditing Standards*, if a Single Audit is required. We will compare final trial balance amounts with the financial statements and evaluate the format and presentation of financial statements to ensure that they conform with generally accepted accounting principles. A pre-issuance engagement quality control review will be performed prior to issuance of our reports.

We will meet with the City Administrator and/or Finance Director to discuss any matters we have determined to be significant. We will present a draft management letter at that time to guide our discussion. We will seek feedback about our comments and recommendations from the City Council. We will always be interested in revising our comments in order to make them more useful to the City.

Finally, we will issue an Independent Auditors Report as required by generally accepted auditing standards, and an Auditors Comments Report as required by Oregon Minimum Standards. We will also issue any other applicable or required reports.

***AUDIT APPROACH – COMPUTERS AND TECHNOLOGY***

We use computers to assist us in auditing at nearly every level. Getting electronic data from accounting systems such as Caselle, Springbrook, IVisions and other accounting software commonly used by Cities and School Districts, not only saves the client time by minimizing the number of reports that need to be generated but may also save other resources. Electronic data most often provides us with a far superior examination of the information contained within the accounting system(s).

***AUDIT APPROACH – USE OF CITY STAFF***

We will ask for City assistance in gathering only the documents necessary to complete the audit. Estimated time for such assistance is ten to thirty hours for the entire year. As noted, we will work closely with management to provide effective and efficient means for the City's staff to perform those procedures. We encourage the use of our portal throughout the year to save management time by not having to retrieve and handle documents a second time for the audit.

***AUDIT APPROACH – PRESENTATION***

If requested, we will make a presentation of the audited financial statements to the City Council no later than the January meeting, barring any unforeseen issues that may delay completion of the audit prior to that meeting date.

**PROPOSED AUDIT TEAM MEMBERS**

The following individuals will be assigned to the audit of the City:

Name	Position
Ash Lakhani Farishta, CPA	Engagement Manager
Steve Tuchscherer, CPA	Engagement Quality Control Reviewer
Jean Larson	Senior Manager
Faiez Farishta	Senior Associate
Leticia Gamez	Senior Associate
Michelle Castillo	Senior Associate
Chelsea van Midde	Junior Associate
Ely Garcia	Junior Associate
Marc Rogers	Junior Associate
Savannah Halter	Communications Manager

**AUDIT TEAM RESUMES**

**ASH LAKHANI FARISHTA**

Ash is a Certified Public Accountant (CPA) licensed in Texas and Oregon through successful license reciprocity. She holds a master’s degree in accounting from the University of Texas at San Antonio and brings over 12 years of experience as a corporate accountant and financial analyst, with specialized expertise in municipal auditing and government accounting.

Ash has experience in auditing municipalities and governmental entities, including evaluating internal controls, reviewing fund accounting systems, ensuring compliance with GASB (Governmental Accounting Standards Board) standards. She has spent over 80 hours in continuing education courses focused specifically on municipal audit practices, expanding her technical knowledge and practical skills in governmental accounting. Her commitment to professional growth also extends to her teams. She leads staff development through annual training sessions, investing time each year in mentoring and coaching others in the profession.

In her current role, Ash manages a team of accounting professionals, overseeing daily operations to ensure that accounting and auditing assignments are completed with accuracy and efficiency. These assignments include financial statement audits, preparation of financial statements, reconciliation of general ledgers, audit planning and risk assessment. She reviews work for quality, coordinates timelines, and fosters a collaborative work environment to uphold high standards across all engagements.

Ash is also experienced in preparing individual tax returns and small business/LLC filings, and she has provided accounting guidance and compliance support to international subsidiaries. She is recognized for her analytical mindset, attention to detail, and her ability to build and maintain strong client relationships.

Outside of her professional work, Ash is an active member of the National Disaster Management Team in her community and is always ready to assist when emergencies arise.

Ash is a member of the following professional organizations:

- American Institute of Certified Public Accountants
- Oregon Society of Certified Public Accountants
- Government Finance Officers Association

**STEVE TUCHSCHERER**

Steve graduated in 1990 from the University of Oregon, College of Business Administration with a Bachelor of Science degree. In 1993, shortly after earning his CPA and Oregon Municipal Auditors license, he founded the accounting firm in hopes of fulfilling his strong desire to provide quality, affordable accounting services to the local community. He has managed the practice since then, now employing a full, and growing team of accounting and financial professionals serving more than 1000 clients each year. Among his clients served are numerous cities, school districts, and other special districts in Oregon for whom the firm provides audit and advisory services.

Steve delivers significant governmental expertise. He has dedicated the last 32 years to planning and performing audits for small and mid-sized governments, accumulating more than 40,000 hours of dedicated audit and advisory services during his career. His understanding and appreciation of governmental functions have been further enhanced through serving as a Roseburg City Councilor for five years and through participating on numerous government and non-profit Boards and Committees.

In addition to spending more than 80 hours each year in continuing education classes dedicated to honing his municipal audit skills, knowledge and experience, Steve also spends hundreds of hours each year with his staff in professional development training sessions. Furthermore, a significant amount of time throughout each year is spent with staff and clients researching and discussing GASB standards, analyzing complex reporting matters, and developing tools for government management and audit. Steve takes great pride in translating and summarizing complex information for clients, helping others appreciate and understand what is most often confusing and overwhelming.

Steve is a member of the following professional organizations:

- American Institute of Certified Public Accountants
- Government Audit Quality Center
- Oregon Society of Certified Public Accountants
- Government Finance Officers Association

### **JEAN LARSON**

Jean came to Umpqua Valley Financial with over 30 years of experience in Healthcare Financial Management. In Oregon, she served at Mercy Medical Center—17 years as Controller and an additional 5 years overseeing their Physician Clinics. Prior to relocating to Oregon, Jean held senior-level financial management positions at hospitals in Massachusetts, Maryland, and Ohio, and began her career as an Auditor in Kansas, where she completed the CPA exam.

At Umpqua Valley Financial, Jean has played a vital role in supporting clients through financial transitions, preparing Ground Emergency Medical Transportation (GEMT) cost reports, and leveraging her extensive not-for-profit expertise to guide governmental entities in financial and accounting matters. She brings over five years of experience in municipal auditing and Single Audit engagements, including planning, fieldwork, testing, and reporting for entities receiving significant federal funding.

Jean is the firm's resident expert in Single Audit procedures and has deep expertise in assessing compliance with the Uniform Guidance (2 CFR Part 200). Her work includes auditing internal controls over compliance, reviewing Schedule of Expenditures of Federal Awards (SEFA) accuracy, and evaluating adherence to procurement, reporting, and subrecipient monitoring requirements. Jean also performs detailed compliance testing on federal and state grant programs to ensure clients meet audit requirements. Jean has provided full-service government management services to North Douglas School District for the past three years and continues to be a trusted resource for public sector clients navigating federal and state grant compliance.

### **MARC ROGERS**

Marc grew up on the Southern Oregon coast and earned his Bachelor's degree from the University of Oregon. He brings over a decade of accounting experience across a range of roles and industries. At UVF, he has successfully leveraged this background—along with a strong attention to detail and analytical mindset—to contribute meaningfully to the team. This is Marc's second year learning the single audit process and working with the Schedule of Expenditures of Federal Awards (SEFA), where he continues to support Jean and expand his expertise. He also plays a key role in reviewing financial statements and developing a deeper understanding of federal revenue and expenditures. Marc currently resides in the Portland area and, outside of work, enjoys staying active by watching sports, playing basketball, and golfing.

### **FAIEZ FARISHTA**

Faiez Farishta is an experienced business professional with a strong background in management, sales, and financial analysis. He currently serves as Director of Operations at Umpqua Valley Financial, where he leverages his expertise in business development, staff management, and client relations. In this role, he oversees financial planning, regulatory compliance, risk management, and operational efficiency to ensure the firm's success. With prior experience as a financial analyst, business owner, and real estate sales agent, Faiez has honed his skills in strategic planning, customer relations, and business growth. His proficiency in financial reporting, tax planning, budgeting, networking, negotiation, and leadership has contributed to his success across various industries. Additionally, he has volunteered with the United Nations, assisting with security and logistics for high-profile events.

**LETICIA GAMEZ**

Leticia joins our team as an Audit and Tax Associate, bringing a diverse background and strong analytical skills. She graduated summa cum laude with a BBA in Accounting from Texas A&M University–San Antonio, earning a 4.0 GPA and receiving the Outstanding Graduating Student award from the College of Business. Leticia has over two years of municipal accounting and auditing experience, including preparing financial statements in compliance with governmental accounting standards. While at UVF, she worked on municipal audits, developed a solid understanding of GASB requirements, prepared financial statements, and supervised staff throughout the audit process. With a 20-year background as a court reporter and experience as a staff accountant, she offers exceptional attention to detail and the ability to manage complex tasks with accuracy and consistency. Outside of work, Leticia enjoys spending time with her friends, family, and seven grandchildren.

**MICHELLE CASTILLO**

Michelle Castillo is a licensed CPA in Texas and is in the process of obtaining her CPA license in Oregon. She has over three years of experience in government accounting and holds both a Master of Accountancy and a Bachelor of Business Administration in Accounting from the University of Texas at San Antonio, graduating Magna Cum Laude. She previously worked as a Fiscal Accountant for the City of San Antonio and currently serves as a Senior Associate in Municipal Audit at Umpqua Valley Financial, LLC. Michelle specializes in financial forecasting, budget administration, journal entries, and regulatory compliance. Her expertise also includes audit support, accounts payable management, and SAP-based financial reconciliation.

With a strong foundation in both public and private sector accounting, Michelle is committed to ensuring financial accuracy, efficiency, and compliance in all aspects of her work.

**ELY GARCIA**

Ely is a first-generation college graduate from St. Edward’s University, where he earned a degree in Finance with a minor in Economics. He brings a strong foundation in accounting, finance, and administrative operations. Before joining Umpqua Valley Financial, Ely gained hands-on experience in core areas such as bookkeeping, financial reporting, forecasting, budgeting, and project management. With more than eight years of experience working with financial systems and ERP platforms, he is known as a decisive planner and strategic problem-solver.

Since joining Umpqua Valley Financial, Ely has expanded his expertise to include municipal auditing and government accounting. He has worked on various audit areas, contributing his knowledge and skills to support accurate and efficient audit processes.

**CHELSEA VAN MIDDE**

Chelsea earned her Baccalaureate Certificate in Accounting from Portland State University in 2023 and is currently a CPA candidate. Prior to that, she completed her Accounting Certificate at Portland Community College, where she was recognized on the

President's List for academic excellence. Chelsea also holds a Bachelor of Arts in Production Design, bringing a unique blend of creativity and analytical skills to her work in finance and accounting.

Since joining Umpqua Valley Financial, Chelsea has gained practical experience in municipal auditing and government accounting, including a strong understanding of Oregon budget laws, internal controls, and compliance requirements. Her work as a staff accountant has also involved contributing to various audit areas and supporting the preparation of financial reports for governmental entities.

### **SAVANNAH HALTER**

Savannah Halter is the Communications Manager at Umpqua Valley Financial, LLC, where she has proudly served for over nine years. Starting at the front desk, Savannah's natural ability to connect with clients and her strong organizational skills helped her rise through the ranks to her current leadership role. Today, she oversees audit communications and manages thousands of client documents with precision and care.

With a background in customer service and accounting, Savannah brings both warmth and structure to every interaction. Her personable approach, paired with a deep understanding of internal operations, makes her a key player in ensuring smooth communication and document management across the firm.

Born and raised in Roseburg, Oregon, Savannah is deeply connected to her community. Outside of work, she enjoys spending time outdoors with her husband—a local firefighter—and their three children. Together, they embrace a lifestyle of hiking, camping, hunting, and caring for their many animals, including dogs, cats, chickens, and ducks.

***PROPOSED FEES – GENERAL PURPOSE FINANCIAL REPORT***

The tables below indicate our proposed fees for performing the audit of the City of Yachats.

<b>City of Yachats</b>							
Name	Position	Hourly Rate	Estimated Hours			Estimated Fees	
			On-site	Off-site	Total		
Ashraf Lakhani Farishta	Engagement Manager	\$ 250	8	25	33	\$ 8,250	
Steve Tuchscherer	Engagement/Quality Control Reviewer	\$ 250	0	5	5	\$ 1,250	
Jean Larson	Senior Manager	\$ 180	0	15	15	\$ 2,700	
Faiez Farishta	Senior Associate	\$ 150	8	10	18	\$ 2,700	
Leticia Gamez	Senior Associate	\$ 150	0	10	10	\$ 1,500	
Michelle Castillo	Senior Associate	\$ 150	0	10	10	\$ 1,500	
Ely Garcia	Junior Associate	\$ 90	0	10	10	\$ 900	
Chelsea van Midde	Junior Associate	\$ 90	0	10	10	\$ 900	
Marc Rogers	Junior Associate	\$ 90	0	10	10	\$ 900	
Savannah Halter	Communications Manager	\$ 90	0	10	10	\$ 900	
Total Estimated Audit Fee			16	115	131	\$ 21,500	

<b>City of Yachats URA</b>							
Name	Position	Hourly Rate	Estimated Hours			Estimated Fees	
			On-site	Off-site	Total		
Ashraf Lakhani Farishta	Engagement Manager	\$ 250	8	10	18	\$ 4,500	
Leticia Gamez	Senior Associate	\$ 150	0	5	5	\$ 750	
Ely Garcia	Junior Associate	\$ 90	0	4	4	\$ 360	
Savannah Halter	Communications Manager	\$ 90	0	5	5	\$ 450	
Total Estimated Audit Fee			8	44	52	\$ 7,860	

The fees listed above include preparation of the annual financial report. To maintain independence, we are technically limited to assisting in the preparation of the financial statements, however we will create and provide a draft of the completed statements for your review prior to issuance, as Management is ultimately responsible for their preparation.

The fees listed above are inclusive of standard fieldwork-related travel and all typical printing and office supplies. In the event of unusual circumstances requiring additional travel or other nontypical costs, we will communicate with City staff prior to incurring those costs. If other unanticipated complications or changes to auditing standards and GASB requirements occur during any audit period, we will inform City staff of the estimated additional fees and the reason for the changes prior to beginning such additional work.

The hours listed above for the 2025-26 Audit are expected to be very similar for the future audits, with an estimated annual 4% inflationary adjustment for budgetary planning purposes. Actual fees for future years will be mutually agreed upon.

Fiscal Year	<b>City of Yachats</b>		<b>URA</b>	
	Estimated Audit Fee	Estimated Audit Fee	Estimated Audit Fee	Estimated Audit Fee
2025-26	\$ 21,500	\$ 7,860		
2026-27	\$ 22,400	\$ 8,200		
2027-28	\$ 23,300	\$ 8,500		

\*assumed 4% inflationary adjustment

ADDITION SERVICES RATE SCHEDULE

As part of the audit process, we look forward to providing a variety of assistance by phone and email throughout the year. We do not charge additional fees for those conversations and communications as they are most often mutually beneficial.

If the City determines the need for an ACFR (Annual Comprehensive Financial Report) the fee will increase by \$5,000. Issuing an ACFR is above and beyond the requirements of the State of Oregon General Purpose Financial Statement report and audit. Based on our review of available, previous City Annual Financial Reports, an ACRF has not been issued, and we do not believe it is a requirement. We are fully capable and will support an ACFR at the City's request.

The proposed fees for the above fiscal years do not include amounts for Single Audit work. Should a Single Audit be necessary the fee will increase by a minimum of \$6,000. A Single Audit is required when federally funded expenditures are greater than \$750,000 in a single fiscal year, or when federal loans stipulations require that a Single Audit be performed.

Any unusual conditions encountered during the course of the audits, where services of the auditing firm must be extended beyond normative work anticipated, will be performed only after written notification and acceptance by City staff. Fees for such additional work will be charged at hourly rates as follows:

Engagement Manager	\$ 250.00
Engagement Reviewer	\$ 250.00
Senior Manager	\$ 180.00
Senior Associate	\$ 150.00
Junior Associate	\$ 90.00
Communications Manager	\$ 90.00
Support Staff	\$ 75.00

***PROPOSED SCHEDULE***

The proposed schedule for audit services for the City for the fiscal year ending June 30, 2026, is as follows:

(This schedule is estimated and highly dependent on the availability of staff and timeliness of information being sent or provided when requested)

**Proposed Engagement Schedule**

Engagement Letter & Contract	April 1- April 15
Preliminary Field Work	May 1 - May 15
Preliminary and General Procedures	July 15 - November 15
On-site Field Work	September 15 - November 15
Prepare Draft Audit Report	No later than December 15
Exit Conference	December 10 - December 22
Prepare, Sign & Review Final Audit Report	No later than December 31
File Audit Report with State	No later than December 31
Present Audit Report to Board	January meeting

**REFERENCES**

We encourage you to contact any of our existing engagements, but for convenience we have provided the below contact information of individuals who have specifically agreed to be contacted as references on our behalf.

**References**

Amity School District No. 4J 807 Trade St., Amity, Oregon 97101	Ann Adams 541-835-2171	<a href="mailto:ann.adams@amity.k12.or.us">ann.adams@amity.k12.or.us</a>
Lake County Education Service District 357 North L Street, Lakeview, Oregon 97630	Sara Sarensen 541-947-3371	<a href="mailto:ssarensen@lakeesd.k12.or.us">ssarensen@lakeesd.k12.or.us</a>
City of Sisters 520 East Cascade, Sisters, Oregon 97759	Joe O'Neill 541-549-6022	<a href="mailto:joneill@ci.sisters.or.us">joneill@ci.sisters.or.us</a>
Dallas School District #2 111 SW Ash St., Dallas, Oregon 97338	Tami Montague 503-623-5594	<a href="mailto:tami.montague@dSD2.org">tami.montague@dSD2.org</a>
Sutherlin School District #130 531 E. Central Ave., Sutherlin, Oregon 97479	Della Mock 541-469-2228	<a href="mailto:della.mock@sutherlin.k12.or.us">della.mock@sutherlin.k12.or.us</a>
Grant County 201 S. Humbolt St. Ste. 280, Canyon City, Oregon 97820	Julie Ellison 541-575-1798	<a href="mailto:ellisonj@grantcounty-or.gov">ellisonj@grantcounty-or.gov</a>
City of Tangent PO Box 251, Tangent, OR 97389	Elijah Joyner 541-928-1020	<a href="mailto:ejoyner@cityoftangent.org">ejoyner@cityoftangent.org</a>
City of Turner 5255 Chicago St. SE, Turner, Oregon 97392	Pamela Ray 503-743-2155	<a href="mailto:pray@turneroregon.gov">pray@turneroregon.gov</a>

*LETTERS OF RECOMMENDATION*



**St. Paul School District No. 45**

**Proud History, Cultivating the Future**

*Our mission is to provide a progressive learning environment for all students to achieve by the objectives and principles outlined in the St. Paul Brand.*

Troy Fisher, Ed. D  
Superintendent/ES Principal  
503.633.2691  
troy.fisher@stpaul.k12.or.us

Tiffany Fotre, Ed. D  
Middle/High School Principal  
503.633.2541  
tiffany.fotre@stpaul.k12.or.us

Amy Chisman  
Business Manager  
St. Paul School District No. 45  
Phone: (503) 540.1672  
Email: amy.chisman@stpaul.k12.or.us

May 8, 2025

Re: Letter of Recommendation for Umpqua Valley Financial, LLC

To whom it may concern,

It is with great pleasure that I write this letter of recommendation for Umpqua Valley Financial, LLC. Over the past few years, I have had the privilege of working closely with this remarkable company as they conduct our annual financial audits.

Umpqua Valley Financial, LLC consistently meets their deadlines, demonstrating an unwavering commitment to timely and efficient service. Their team communicates clearly and is always responsive to our needs and inquiries, ensuring that every step of the audit process is seamless and transparent.

Their professionalism is evident in every interaction. The staff at Umpqua Valley Financial, LLC is not only highly skilled and knowledgeable but also friendly and approachable. They have successfully fostered a collaborative and productive environment that has greatly benefited our District.

Through their expertise and dedication, Umpqua Valley Financial, LLC has helped us navigate complex financial matters with ease. Their thorough audits and insightful recommendations have significantly contributed to the improvement of our financial management and overall transparency.

I have truly enjoyed working with Umpqua Valley Financial, LLC and wholeheartedly endorse their services. They are an invaluable partner, and I am confident that they will continue to excel in providing exceptional audit services.

Sincerely,

A handwritten signature in black ink, appearing to read 'Amy Chisman'.

Amy Chisman  
Business Manager  
St. Paul School District No. 45  
Phone: (503) 540.1672  
Email: amy.chisman@stpaul.k12.or.us



455 9<sup>th</sup> Street SW, Bandon, OR 97411  
Phone: 541.347.4411  
Fax 541.347.3974

Shauna Schmerer, Superintendent

Amanda Steimonts  
Business Manager  
Bandon School District  
455 SW 9th Street  
Bandon, OR 97411  
asteimonts@bandon.k12.or.us  
541-347-4411

March 31, 2025

To Whom It May Concern,

I'm pleased to write this letter of recommendation for Umpqua Valley Financial. Though they've only been working with Bandon School District for one year, I've had the pleasure of working with them for two years at another school district before joining Bandon. I can say without hesitation that they are a team I trust and highly recommend.

From the moment Umpqua Valley Financial began working with us, they've demonstrated nothing but professionalism, expertise, and commitment. During the onboarding process at Bandon School District, they took the time to sit down with us to review our audit needs, past practices, and our goals and expectations for the upcoming year. Their knowledge of school district finances is impressive, and they've handled our audits with great attention to detail, ensuring that everything is completed accurately and on time.

What really sets them apart, though, is how personable and approachable they are. They take the time to explain complex financial matters in a way that's easy to understand, and they do so with a friendly attitude that makes working with them enjoyable. It's clear that they care about building strong, positive relationships, and that's something I truly appreciate.

In both my previous role and now at Bandon, Umpqua Valley Financial has proven to be a reliable, hard-working partner. They've made the auditing process smoother and less stressful, and I'm confident they'll continue to impress anyone they work with.

Best regards,  
Amanda Steimonts, MBA  
Business Manager  
Bandon School District



**CITY OF TANGENT**

P.O. Box 251  
Tangent, OR 97389  
www.TangentOR.gov

4/3/2025

**Umpqua Valley Financial Letter of Recommendation**

To Whom It May Concern,

I am pleased to write this letter of recommendation for Umpqua Valley Financial, a highly professional and reliable auditing firm with whom I have had the privilege of working with over the past 3 years. During this time, Umpqua Valley has consistently demonstrated a high level of expertise, integrity, and commitment to excellence in every aspect of their work.

Umpqua Valley Financial has provided the City with top-notch audit services, offering clear, comprehensive, and timely review of our audit reports. Their attention to detail and ability to identify potential risks or non-compliance has proven invaluable in ensuring that our financial practices conform with all relevant regulations and standards including major GASB updates. Their team consistently meets deadlines, communicates effectively, and approaches challenges with a proactive mindset.

I believe what helps to set Umpqua Valley apart from other municipal auditors is their personalized and cost-effective service. They take the time to understand the unique needs and circumstances of our small city that operates on a limited budget. Someone is always available to answer questions, provide recommendations, and ensure that we are aligned with best practices and guidelines.

I have no hesitation in recommending Umpqua Valley Financial for any Municipal organization seeking a dependable and skilled auditing partner. Their professionalism, coupled with their affordability and exceptional expertise in the field makes them an asset to any City in need of financial auditing services.

If you have any questions or would like to discuss my experience with Umpqua Valley further, please do not hesitate to contact me.

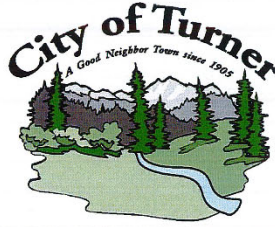
Sincerely,

A handwritten signature in blue ink that reads "E. Joyner".

Elijah Joyner  
Finance Director, City of Tangent  
541-928-1020

City Hall 32166 Old Oak Dr. Tangent OR 97389	www.TangentOR.gov Phone: 541-928-1020	Office Hours Monday – Friday 9:00 A.M. – 4:00 P.M.
--	--	--

5255 Chicago Street SE  
Post Office Box 456  
Turner, OR 97392-0456



Phone: (503) 743-2155  
Fax: 503 743-4010  
[www.cityofturner.org](http://www.cityofturner.org)

---

Over the last seven years The City of Turner has utilized the services and expertise of Umpqua Valley Financial (formerly Steve Tuchscherer, CPA, PC) for our annual audit. The audit process can be a daunting task, however, Umpqua Valley Financial has made this process virtually painless. Upon receiving an audit prep sheet, we begin uploading these items to their secure audit portal, allowing the auditors time to look over the data prior to their site visit. Their questions we receive during the interim, while thorough, are always concise with respect for our time and busy schedules. The audit report we receive at the end of the process is accurately and professionally presented.

Having worked in the accounting field for more than twenty years, I must say that Umpqua Valley Financials' audit process is the most streamlined I've experienced. The professional and friendly replies I receive to questions and concerns make it a pleasure to deal with their staff. They have been patient with our office as we've experienced growing pains with new personnel and with my own questions regarding the unique accounting and budget laws regarding municipalities. In short, they are a pleasure to work with and are highly recommended by The City of Turner for accounting and audit services.

  
Pamela Ray  
City of Turner Finance

---

\*ADA Accommodations Provided Upon Request\*  
\*The City of Turner is an Equal Opportunity Employer and Provider\*



To Whom It May Concern,

I am honored to write this letter of recommendation on behalf of Umpqua Valley Financial, LLC who has served as our municipal auditor with exceptional professionalism, dedication, and integrity. Their work has been instrumental in ensuring financial accountability and transparency for the City, and their contributions have had a significant positive impact on our operations.

Throughout their tenure, Umpqua Valley Financial, LLC has demonstrated a keen eye for detail, a thorough understanding of municipal finance, and a commitment to upholding the highest standards of auditing. Their approach to financial reviews has helped identify opportunities for efficiency, ensuring that taxpayer dollars are used effectively and responsibly.

Beyond their technical expertise, Umpqua Valley Financial, LLC is a pleasure to work with. They have consistently shown a friendly and approachable demeanor, fostering a collaborative relationship with City staff and officials. Their ability to communicate complex financial matters in an accessible and constructive way has been invaluable in helping us navigate audits with confidence and clarity.

I wholeheartedly recommend Umpqua Valley Financial, LLC for any attestation needs. Their expertise, work ethic, and friendly approach make them an asset to any organization. Please feel free to contact me if you require further information.

Sincerely,



Joseph O'Neill  
Finance Director  
City of Sisters



735 E. Marquam Street | Office: 503-845-2345  
PO Box 1720 | Fax: 503-845-2789  
Mt. Angel, OR 97132 | www.masd91.org

Rachel Stucky  
Superintendent

Board  
Members

Andrea Pfau  
Chair

Mark Brenden  
Vice Chair

Irene Novichihin

Shari Riedman

Teresa Kinkaid

March 28, 2025

To Whom It May Concern,

It is with great confidence and appreciation that I write this letter of recommendation for Umpqua Valley Financial, LLC, in recognition of their exceptional auditing services provided to Mt. Angel School District since 2022. Their dedication to excellence, professionalism, and friendly approach has made a significant and positive impact on our district's financial operations.

Over the past three years, Umpqua Valley Financial, LLC has consistently delivered thorough, accurate, and timely audits. Their attention to detail and comprehensive understanding of financial regulations have not only ensured compliance with all necessary standards but have also provided us with valuable insights into improving our financial management practices. They bring a level of expertise that instills confidence in their work and reinforces our district's commitment to transparency and fiscal responsibility.

In addition to their technical capabilities, the team at Umpqua Valley Financial, LLC has demonstrated a remarkable sense of professionalism and reliability. As a newer Business Manager, I have appreciated their willingness to answer questions and give recommendations throughout the year. This has allowed us to proactively improve our processes and procedures.

What truly sets Umpqua Valley Financial apart, however, is their personable and approachable nature. Their team has built strong relationships with our staff, making the often-intimidating auditing process feel collaborative and constructive. Their friendly demeanor and willingness to explain complex financial matters in clear, understandable terms have fostered an environment of trust and mutual respect. They truly feel like our partner.

Thanks to their expertise and guidance, we have been able to identify areas for improvement and implement best practices. The support provided by Umpqua Valley Financial, LLC has been invaluable in ensuring the fiscal health of our district, which ultimately benefits our students, educators, and broader community.

I wholeheartedly recommend Umpqua Valley Financial, LLC to any organization seeking an auditing partner. Their professionalism, technical skills, and genuine commitment to client success are unparalleled. Should you have any questions or require further information, please do not hesitate to contact me at 503-845-2345.

Sincerely,

Kristi Brackinreed  
Business Manager



Jeff Clark, Superintendent  
jeff.clark@amity.k12.or.us

Phone: 503-835-2171  
Fax: 503-835-5050

---

May 15, 2018

To Whom It May Concern:

It is my privilege to write a letter of recommendation for our auditing firm, Umpqua Valley Financial, LLC. Umpqua Valley Financial, LLC (formerly Steve Tuchscherer, CPA, PC) has served as the auditor for our district for fifteen years. Even after all of these years, Amity School District has no plans to seek the services of another auditing firm, which is a testament to a positive working relationship.

As you can imagine, dealing with the auditors may create some anxiety for the business office and program managers. That is not the case in working with Umpqua Valley Financial, LLC, and there are several things that stand out to me as I consider the services they provide to us. They are professionals in every way, measuring our work by the highest auditing standards, and yet, they are easy to work with. If there are minor issues that surface during the audit, they don't make the issue bigger than it needs to be, but rather ensure that we address the situation and move forward. Throughout the year, the auditors are readily available to answer questions as they arise which enables us to stay on top of our work. There have been times when it became necessary for us to reschedule the audit, and Umpqua Valley Financial has been very willing to accommodate our request for a change.

Amity School District is a small district with only a few individuals who have direct contact with the auditors. However, we receive the time and attention that we need from them. Because of the service they provide to us each year, we have confidence in Umpqua Valley Financial, LLC, and we know that we are a valued client regardless of our size. This speaks well of them as an auditing firm.

If you have further questions, please feel free to contact me at (503) 835-2171.

Sincerely,

A handwritten signature in cursive script that reads 'Ann Adams'.

Ann Adams  
Deputy Clerk/Business Manager

An Equal Opportunity Employer



February 7, 2025

City of Myrtle Point  
Attn: City Council and Scott Nay, City Manager  
454 5<sup>th</sup> Street  
Myrtle Point, Oregon 97458

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Myrtle Point for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated March 29, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

*Qualitative Aspects of Accounting Practices*

- Management is responsible for the selection and use of appropriate accounting policies.
- The significant accounting policies used by the City of Myrtle Point are described in the financial statements.
- No new accounting policies were adopted, and the application of existing policies were not changed during the fiscal year.
- We noted no transactions entered into by the City of Myrtle Point during the year for which there is a lack of authoritative guidance or consensus.
- All significant transactions have been recognized in the modified cash basis financial statements in the proper period.
- The financial statement disclosures are neutral, consistent, and clear.

In some cases, accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Those estimates include the value and accumulated depreciation of capital assets.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements, if any. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated February 7, 2025.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City of Myrtle Point's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with me to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City of Myrtle Point's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis, the governmental budgetary comparison schedules, and the pension schedules which are presented as supplementary information (SI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the management discussion and analysis and do not express an opinion or provide any assurance on the management discussion and analysis. We did audit the remaining SI and issued our opinion on those statements and schedules in our auditor's report.

Management is responsible for the Other Information as listed in the Table of Contents in the annual financial report. Our opinions on the basic financial statements do not cover the Other Information, and we do not express an opinion of any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the Other Information and consider whether a material inconsistency exists between the Other Information and the basis financial statements, or the Other Information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the Other Information exists, we are required to describe it our report. We found no material misstatements in the Other Information.

Restriction on Use

This information is intended solely for the use of City Council of the City of Myrtle Point and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



Steve Tuchscherer, CPA  
Umpqua Valley Financial, LLC  
Roseburg, Oregon

JANUARY 7, 2026

# The City of Yachats

*PROPOSAL FOR AUDIT SERVICES*

**Kim Reno, Senior Manager**

**Amanda Moore, Principal**

Baker Tilly  
221 Stewart Avenue, Suite 301  
Medford, OR 97501  
(541) 857-1040  
[www.bakertilly.com](http://www.bakertilly.com)

Dear Bobbi:

Thank you for the opportunity to present this proposal for audit services to The City of Yachats (City), including its blended component unit, The Urban Renewal Agency (URA), in response to your request for proposal (RFP). Our firm and proposed engagement team are properly licensed to perform such services in Oregon, and would be dedicated to performing all of the RFP's outlined work within the time frame established by the City.

Although differences between firms can be hard to discern, we believe the following identifies us as the best choice to serve the City:

- **Experience with governmental and municipal engagements.** With over 4,200 government clients firmwide, we already understand municipalities, governments, and how organizations like the City operate. Our dedicated focus and involvement in your industry means we understand the issues unique to municipalities like the City.
- **Communication throughout the year.** Baker Tilly isn't your once-a-year service provider. During the audit and throughout the year, we solicit and encourage communication to facilitate a smooth process and keep management and finance committees apprised of new accounting pronouncements, application of accounting policies, and new federal compliance issues. At the end of fieldwork, we'll conduct a formal exit meeting designed to keep you updated on the status of your audit and alert you of any issues. If any issues arise post-fieldwork, we'll communicate these items to management in a timely manner to make sure we have the appropriate facts and circumstances.
- **Efficient and effective service approach.** Our service approach is designed to reduce costs and save time while meeting the City's specific needs. We'll utilize our powerful data mining tools to analyze large sets of data quickly and efficiently and carefully plan your engagement to make sure we meet your deadlines. Our approach utilizes analytical procedures in conjunction with a deep understanding of organizations like yours—which eliminates the need for excess sampling.
- **Smooth transition.** We've put a lot of effort into designing a transition process that minimizes the impact on you and your staff. We take responsibility for setting meetings, getting to know your operations, and making accommodations so you can focus on running the City's operations.
- **Competitive fees.** We strongly believe we're the most qualified firm to serve the City. However, if fees become a decision point for you, please reach out to us to discuss them prior to making your final decision.

**Bobbi Price**  
*City Manager*

**The City of Yachats**  
501 Hwy 101 N  
P.O. Box 345  
Yachats, OR 97498

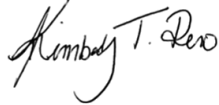
**Bobbi Price**  
*City Manager*

**The City of Yachats**  
501 Hwy 101 N  
P.O. Box 345  
Yachats, OR 97498

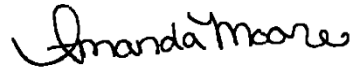
You'll find that Baker Tilly offers an exceptional combination of experience and resources to not only meet your needs but also add value to the City at a competitive price. We bring a rare blend of inspiration and technical excellence to help our clients discover and claim the future. Our focus on helping you recognize and take advantage of rising opportunities is what sets us apart from other firms.

We commit to making the City a long-term and extremely satisfied client of Baker Tilly. We're enthusiastic about the opportunity to serve you and appreciate your consideration of our firm.

Sincerely,



**Kim Reno, CPA, CFE**  
Senior Manager  
(541) 434-6953  
[kim.reno@bakertilly.com](mailto:kim.reno@bakertilly.com)



**Amanda Moore, CPA**  
Principal  
(541) 732-3865  
[amanda.moore@bakertilly.com](mailto:amanda.moore@bakertilly.com)

# Contents

<b>General information</b>	<b>1</b>
<b>City experience</b>	<b>2</b>
Client references	4
<b>Policies on notification of changes in key personnel</b>	<b>5</b>
Key Personnel Change Policy	5
<b>Management overview and services</b>	<b>7</b>
<b>Meet the team</b>	<b>11</b>
<b>Service approach and methodology</b>	<b>13</b>
Detailed audit approach	13
Timeline	18
<b>Peer review</b>	<b>19</b>
<b>Responsiveness to change orders and modifications</b>	<b>22</b>
<b>Management and board communication letters</b>	<b>24</b>
<b>Value for fees</b>	<b>25</b>
<b>Looking ahead</b>	<b>28</b>
Guiding your journey towards future growth and success	28

---

## General information

<b>LEGAL NAME</b>	Baker Tilly US, LLP
<b>ADDRESS</b>	221 Stewart Avenue, Suite 301 Medford, OR 97501 (541) 857-1040
<b>WEBSITE</b>	<a href="http://www.bakertilly.com">www.bakertilly.com</a>

---

## City experience

Our firm not only has an extensive Government Services Practice but also deep experience specific to cities. The majority of the cities we work with are running on tight budgets and challenged to find innovative ways to reduce costs while maintaining the service levels their constituents expect.

What you'll find working with Baker Tilly is a team that blends creativity and experience to offer new possible ways for the City to reduce risk, gain efficiency, and take advantage of unique opportunities as they develop. By bringing innovation and creativity together, you'll work with a team that understands and specializes in cities like yours.



More than  
**500**  
CITIES  
across the nation

More than  
**600**  
PUBLIC SECTOR  
professionals

More than  
**4,200**  
PUBLIC SECTOR  
clients across the nation



*As of June 3, 2025, Baker Tilly and Moss Adams have merged. The statistics provided are combined unless otherwise noted and are based on data currently available. Actual counts may vary slightly and will be finalized during the integration process.*

The depth of our practice means we understand the issues you face today and can provide the specialized services you need now and in the future—such as single audits; accounting for complex investment transactions; benefit plan audits; performance audits; IT hardware, software, and cybersecurity evaluations; fraud investigations; and forensic accounting. All of this gives us the deep resources necessary to not only address governmental accounting and tax-exempt bond issues but also provide the holistic services governments need to thrive.

Our firm's professionals currently serve as auditors and consultants for more than 500 cities across the nation. In addition to performing audits, we also provide consulting and other services such as IT consulting including system conversion assistance, data security audits, and cybersecurity engagements, construction contract audits, agreed-upon procedures engagements, and technical training. Many of the cities we provide services to run federally qualified health centers (FQHCs), housing authorities, landfills, libraries, correctional facilities, environmental services, and parks and recreational facilities.

## REPRESENTATIVE CITY CLIENTS

- City of Ashland, Oregon
- City of Astoria, Oregon
- City of Bend, Oregon
- City of Brookings, Oregon \*\*
- City of Beaverton, Oregon
- **City of Central Point, Oregon\***
- City of Corona, California
- City of Culver City, California
- City of Cupertino, California
- City of El Paso, Texas
- City of Eugene, Oregon
- City of Farmington, New Mexico
- City of Glendale, Arizona
- City of Grants Pass, Oregon
- City of Gresham, Oregon
- City of Hillsboro, Oregon
- City of Hobbs, New Mexico
- City of Idaho Falls, Idaho
- City of Lake Stevens, Washington
- City of Las Cruces, New Mexico
- City of Las Vegas, New Mexico
- City of Medford, Oregon
- City of Milwaukie, Oregon
- City of Portland, Oregon
- City of Redondo Beach, California
- City of Reno, Nevada
- City of Renton, Washington
- City of Salem, Oregon
- City of Santa Monica, California
- City of Stockton, California
- City of Tigard, Oregon

\*Modified cash basis of accounting

\*\*Until 2025

## Client references

Hear for yourself the unique experience our clients have in working with our firm. We're confident they'll share stories of how we make their lives easier, help them identify and take advantage of rising opportunities, and guide them to increased prosperity.

<p><b>CITY OF CENTRAL POINT, OREGON</b> 140 S 3RD ST CENTRAL POINT, OR 97502</p>	<p>Audit of the City and component unit, the Development Commission, assists in drafting financial statements</p> <p>Tessa DeLine <a href="mailto:tessa.deline@centralpointoregon.gov">tessa.deline@centralpointoregon.gov</a> 541-664-2231 x226</p>	<p>Amanda Moore, Principal Kim Reno, Senior Manager</p>
<p><b>CITY OF GRANTS PASS, OREGON</b> 101 NW A ST GRANTS PASS, OR 97524</p>	<p>Audit of the City and three component units, lodging tax agreed-upon procedures</p> <p>JC Rowley <a href="mailto:jrowley@grantspassoregon.gov">jrowley@grantspassoregon.gov</a> 541-450-6025</p>	<p>Amanda Moore, Principal</p>
<p><b>CITY OF MEDFORD, OREGON</b> 411 W 8TH ST MEDFORD, OR 97501</p>	<p>Audit of the City, audit of Urban Renewal Agency, previously assisted in drafting ACFR</p> <p>Ryan Martin, CFO <a href="mailto:ryan.martin@Cityofmedford.org">ryan.martin@Cityofmedford.org</a> 541-774-2033</p>	<p>Amanda Moore, Principal</p>
<p><b>CITY OF RENO, NEVADA</b> 1 E FIRST ST RENO, NV 89501</p>	<p>Audit of the City</p> <p>Vicki VanBuren <a href="mailto:vanburenv@reno.gov">vanburenv@reno.gov</a> 775-334-3831</p>	<p>Amanda Moore, Principal</p>
<p><b>JOSEPHINE COUNTY, OREGON</b> 500 NW 6TH ST GRANTS PASS, OR 97526</p>	<p>Audit of the County, Extension Agency, single audit, agreed upon procedures</p> <p>Ruth Nelson, Finance Director <a href="mailto:RNelson@josephinecounty.gov">RNelson@josephinecounty.gov</a> 541-474-5222</p>	<p>Amanda Moore, Principal Kim Reno, Senior Manager</p>
<p><b>KLAMATH COUNTY, OREGON</b> 305 MAIN ST KLAMATH FALLS, OR 97601</p>	<p>Audit of the County, five component units, single audit, agreed upon procedures</p> <p>Vickie Noel, Finance Director <a href="mailto:VNoel@klamathcountyor.gov">VNoel@klamathcountyor.gov</a> 541-851-3654</p>	<p>Amanda Moore, Principal Kim Reno, Senior Manager</p>

---

# Policies on notification of changes in key personnel

## Key Personnel Change Policy

### 1. Purpose

This policy establishes the expectations and requirements related to any changes in key personnel proposed by the Audit Firm during the term of the engagement. The intent is to ensure continuity, maintain service quality, and protect the interests of the City.

### 2. Definition of key personnel

For the purposes of this engagement, “key personnel” includes, but is not limited to:

- Engagement Partner
- Engagement Manager
- Lead Auditor(s)
- Specialists or subject-matter experts identified in the proposal as essential to the delivery of services

### 3. General requirements

The Audit Firm shall assign the key personnel identified in its proposal to the engagement for the duration of the contract unless a change is approved by the City.

The City reserves the right to approve or reject any proposed changes to key personnel at its sole discretion.

### 4. Notification requirements

The Audit Firm must provide notice to the City at least 30 days in advance of any proposed change in key personnel, except in cases of unforeseen circumstances such as resignation or medical leave.

The notice must include:

- Reason for the change
- Proposed replacement personnel
- Resume and qualifications of the proposed replacement
- Description of how continuity and knowledge transfer will be ensured

## **5. Qualifications of replacement personnel**

Replacement personnel must possess qualifications, experience, and expertise equal to or greater than those of the individual being replaced.

## **6. Transition and knowledge transfer**

The Audit Firm is responsible for ensuring a smooth transition, including:

- Overlap time between outgoing and incoming personnel when feasible
- Transfer of all relevant engagement knowledge, documentation, and workpapers
- Assurance that no disruption to timelines or deliverables will occur

## **7. Costs**

Any costs associated with changes in key personnel, including onboarding or transition activities, shall be borne solely by the Audit Firm unless otherwise approved in writing by the City.

## **8. Failure to comply**

Failure to comply with this policy may be considered a breach of contract and may result in:

- Rejection of proposed personnel
- Requirement to provide alternative candidates
- Contract remedies as permitted under the RFP and resulting agreement

# Management overview and services

*This is more than a proposal. It's a promise. To serve as your sounding board, your navigator and your second set of eyes on the horizon.*

At Baker Tilly, we bring a legacy and commitment to helping our clients embrace what's next.

With more than 11,000 professionals from coast to coast, our resources fuel our ability to offer clients deep industry insights, bold thinking, and holistic solutions. Our ranking as the sixth-largest advisory CPA firm means we're actively shaping the industry landscape across markets.

Baker Tilly will successfully guide the City through changing landscapes with skills, stability, and strength as one of the oldest and largest advisory, tax, and assurance firms in the United States.

## Baker Tilly at a glance

**6<sup>th</sup>**  
largest U.S.  
accounting firm

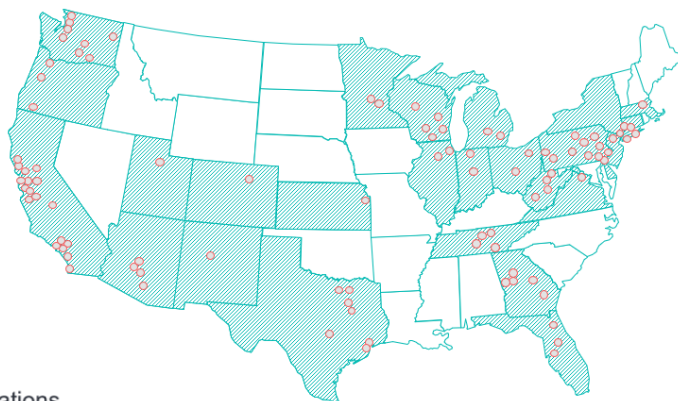
**~3,400**  
Certified Public  
Accountants

**11,000+**  
team members,  
1,000+ principals

**\$3B+**  
firm revenue in  
FY2024

**100+**  
years in business

**100+**  
worldwide office locations



What does our size mean for you? It's about having a powerhouse team of passionate professionals unafraid to roll up their sleeves and provide hands-on support for the City. It's about team members brimming with thoughtful ideas, backed by the scale of a firm genuinely dedicated to your success.

When you choose Baker Tilly, you're not just choosing a leading advisory, tax, and assurance firm. You're choosing a skilled navigator for the road ahead.

## Audit experience

Our professionals have deep experience evaluating the risks you face on a daily basis. Just as we do for our nearly 18,000 assurance clients, we'll work tirelessly to deliver a high return on your investment through value-packed feedback that offers in-depth analysis of your financial statements, operational efficiency, employee benefit plans, and more. We take a collaborative approach, engaging with your team to understand your unique challenges and objectives. By leveraging advanced analytics and industry benchmarks, we can identify cost-saving opportunities and add tangible value to your organization.

Depending on your assurance needs, you may need to report under different sets of standards or provide varying levels of detail. Regardless of your requirements now or in the future, we can scale our audit solutions to meet your needs.

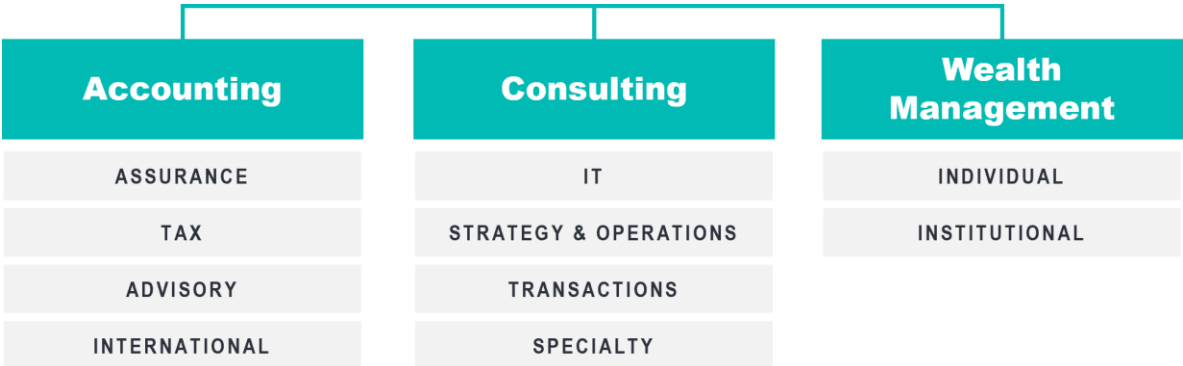
We offer audit services in these key areas:

- Financial statement audits
- Employee benefit plan audits
- Performance audits
- SOC audits
- SEC audits
- Internal audit
- Sustainability audits

**Full-service capabilities**

We understand the scope of this engagement is limited to the requested audit services. But the people who make up your engagement team, like all our professionals, have a wider skill set and are trained to be aware of issues that fall outside typical assurance and tax work. Exposing our accountants to a broad range of financial and operational disciplines is an approach that’s hardwired to our practice.

We do this because we place a high value on having peripheral vision when it comes to your business. It’s the difference between being able to advise you on your business versus serving as “just an accountant.” For this reason, the City should know Baker Tilly can provide a broad set of additional solutions if the need arises, including the following:



**Our recent combination**

Moss Adams and Baker Tilly have joined forces to redefine accounting, tax, and advisory services for the middle market. United, we bring a legacy and commitment to helping our clients embrace what’s next.

With more than 11,000 professionals in 90-plus locations nationally, our reach and resources fuel our ability to bring deep industry insights, bold thinking, and holistic solutions that serve our clients’ unique needs.

At Baker Tilly, we unlock the power of possibility for businesses ready to move forward.

## The best of both worlds

Baker Tilly is a firm capable of handling all of your needs, and we're committed to providing you with a level of service and attention that exceeds our competitors. The best part is that while we have the extensive capabilities of a large firm, your service is delivered in a personal manner that you might associate more with a local provider. Your team will personally collaborate with you on what works best for your organization, while bringing added insights from across multiple industries. That's the difference you'll experience with Baker Tilly.

	LOCAL FIRMS	BAKER TILLY	BIG FOUR
Strong local presence	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Technical depth		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Responsive	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Deep bench strength		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Competitive fees	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Scalable		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Focused client demographics		<input checked="" type="checkbox"/>	

## Our continued commitment to you

As a current client of Baker Tilly (formerly Moss Adams), you may be wondering how our service to you is affected by our recent combination. We expect continued excellence in the relationships, service, and experience we're known for providing to our clients. In addition to the service team members you've worked with in the past, we now have more specialized services and resources available to support your success. We'll be transparent and keep you informed of any further changes relevant to our service to you.

## Continuing professional education

At Baker Tilly, we have a rigorous continuing education expectation in which staff members are regularly enrolled in programs to continuously stay on top of the latest technical updates while increasing their understanding of standards, policies, and trends in the industry.

The American Institute of Certified Public Accountants (AICPA) requires its members to attend at least 120 hours of continuing professional education (CPE) every three years. Additionally, professionals performing work under the US Government Accountability Office's (GAO) *Government Auditing Standards* (Yellow Book) are required every two years to complete 80 hours of CPE that directly enhances their proficiency to perform audits and/or attestation engagements; 24 hours of which are in subjects directly related to governmental accounting and auditing. Averaging more than 100 hours of industry-specific CPE every two years, our professionals regularly exceed those requirements—as well as those of the various state licensing boards.

Of course, our focus on education isn't just about quantity. It's also about the *quality* of training our people receive. On top of the external training our people participate in to keep them in touch with industry standards and trends, we have a dedicated learning and development department responsible for providing year-round internal CPE to support the ongoing education process. We also require all employees to create and annually update a career development plan for themselves, including the training they plan to attend, and meet with a career advisor to select the most appropriate education programs for the clients they serve.

The required CPE sessions hosted by our internal learning and development team include the firm's annual industry conference, featuring timely and relevant topics on audits of governments, not-for-profit organizations, higher education institutions, and other tax-exempt entities. Past presenters include representatives from the AICPA, Governmental Accounting Standards Board (GASB), US Office of Management and Budget (OMB), GAO, and other standard-setting institutions. Our firm is also a member of the AICPA's Government Audit Quality Center (GAQC), which communicates regulatory developments, guidance on best practices, and technical updates.

LEARNING AND DEVELOPMENT TOPICS	
• Annual FASB update	• Fraud investigation and forensic accounting
• Annual GASB update	• Internal controls
• Annual single audit technical update	• International operations, taxes and investments
• Annual Yellow Book update	• IRS Form 990 changes
• Auditing investments, including alternative investments	• Not-for-profit tax issues
• Common financial reporting deficiencies	• Performance auditing overview
• Compensation reporting	• Project management
• Consolidation of related entities	• Quality control
• Employee benefit plans	• Risk assessment
• Ethics and independence	• Sustainability
• Executive compensation	

Our investment in developing our professionals results in team members who are skilled, experienced, and educated. Naturally, many of our professionals are considered authorities in their field and are frequently called upon to speak at external industry organizations and conduct not only our own internal training, but also CPE for CFOs, controllers, and accountants outside Baker Tilly.

What does this mean to our clients? Better service. Ultimately, the value we place on education results in team members who are more efficient, stronger communicators, and better able to bring relevant, current information to you.

*CPE Conference*

Baker Tilly has an annual CPE conference that includes government-specific learning opportunities. Previous presenters include Dave Bean and David Vaudt from the GASB, Mary Foelster from the AICPA, Rick Cole from the Financial Accounting Standards Board (FASB), and Gil Tran from the OMB.

# Meet the team

*We assemble the right team with the right experience to serve you year after year and take you further than anyone thought possible.*

Meet the team we've assembled to achieve everything you envision. Selected intentionally for your goals and backed by our specialized resources, these individuals are collaborative and multidisciplinary. Their passion for your industry will make them an unstoppable force on your behalf.



## Amanda Moore, CPA – Principal

### Engagement role: Principal and Engagement Reviewer

Amanda has practiced public accounting since 2000 and focuses on serving government clients. She currently serves as the regional industry leader for the Pacific Northwest region of Baker Tilly. Amanda provides a range of services to her government clients. She performs many consulting projects, agreed-upon procedures engagements, and financial and compliance audits, including those in accordance with Government Auditing Standards and the Single Audit Act.

She is a regular speaker at the Oregon GFOA Spring and Fall conferences and teaches the Government Auditing and Accounting Seminar for the Oregon Society of CPAs. Finally, Amanda is an office leader for Inclusion & Diversity within the firm and collaborates with other leaders to make sure our goals surrounding Business Resource Groups are being pushed forward.

Amanda has been with Baker Tilly for 25 years and worked with entities that are audited under GAAS, GAGAS, the Single Audit Act and Uniform Guidance her entire career. Additionally, she is currently on the special review committee for the GFOA certificate program.

### Professional affiliations and education

- Member, American Institute of Certified Public Accountants
- Member, Oregon Society of Certified Public Accountants
- BS, accounting, Southern Oregon University

THE TEAM TO ACHIEVE THE CITY OF YACHATS' GOALS



**Kim Reno, CPA, CFE – Senior Manager**

**Engagement role: Engagement Manager**

Kim has practiced public accounting since 2012. She focuses on serving governments, health care organizations, not-for-profits, and benefit plans including defined contribution plans, defined benefit plans, and employee stock ownership plans. Kim is currently on the special review committee for the GFOA certificate program. She's also a Certified Fraud Examiner and has worked on a number of consulting engagements.

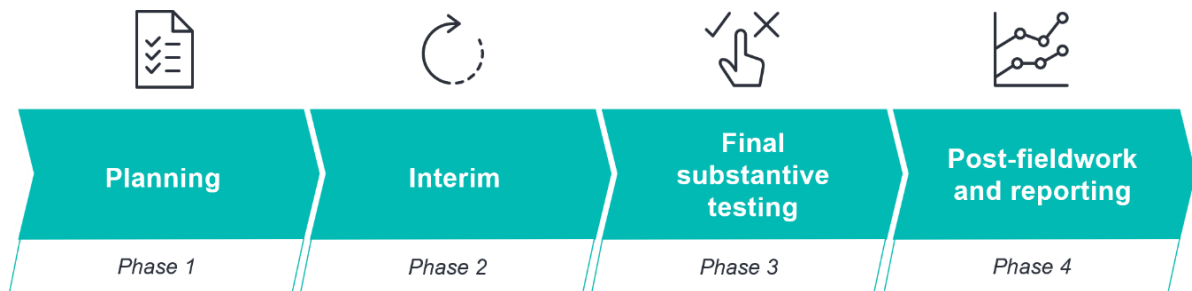
**Professional affiliations and education**

- BA, Business Administration (Public Accounting Emphasis), Southern Oregon University
- Member, American Institute of Certified Public Accountants
- Member, Oregon Society of Certified Public Accountants
- Member, Association of Certified Fraud Examiners
- Special Review Committee Member, GFOA certificate program
- Board Member, Siskiyou Mountain Club

# Service approach and methodology

*We blend technology with the wisdom of our team members to deliver quality and insights. Our audit service offerings unravel the complexities of your industry to reveal opportunities waiting to be explored.*

## Detailed audit approach



### Planning



Prior to beginning the audit, we'll have an entrance conference with management to communicate such matters as our responsibilities with regard to the financial statement audit, independence matters, and the planned scope and timing of the audit. We'll also seek input from management and/or the board regarding any issues, relevance, or special focus.

We strive to create two-way communication so we can hear from you, at the outset of the engagement, about matters you consider relevant to the audit, such as strategic decisions that may significantly affect the nature, timing, and extent of audit procedures, the suspicion or the detection of fraud, or other concerns you have. We're very conscious of not duplicating our efforts and will attempt to use existing documentation whenever possible. We don't demand that our clients conform to pro forma documentation.

Throughout the planning phase of the audit, we'll:

- Hold entrance meetings with relevant staff to discuss risks, expectations, the audit processes, and timelines; and share key strategic, financial, and operational information
- Conduct planning sessions with key managers to outline and share mutual expectations
- Provide a list of requested schedules
- Review results and notes from prior-year workpapers to make sure all necessary updates and changes have been included in the current-year approach
- Design an audit approach with effective risk coverage and efficient procedures
- Define the scope of the engagement, including determination of potential major programs for the single audit procedures

## **Risk assessment**

We assess inherent risk by understanding your operations, the industry you operate in, and the unique aspects of your transactions. We assess control risk by understanding your systems, the identified controls, the effectiveness of the design of the controls, and whether they've been placed in operation.

The inherent and control risk are key elements of our assessment of the risk of material misstatement for each financial statement account. We design tailored audit procedures to respond to the risk of material misstatement. These tailored audit procedures include: 1) tests of the operating effectiveness of internal controls; 2) substantive analytical procedures; and 3) substantive tests of details.

Our goal is to design the most efficient audit plan that builds on the City's strengths and reduces the time required by your team.

## **Materiality**

A critical factor to the audit is the determination of materiality. An auditor must form a judgment about materiality as a benchmark to evaluate and control audit risk and evaluate the effect of identified financial statement misstatements. Materiality is determined after taking several factors into account, including the needs of the financial statement users, the City's balance sheet, and its net income.

Judgments about materiality and the implications on net income or the balance sheet include both quantitative and qualitative aspects. For example, a misstatement might be quantitatively immaterial, but raises questions about the quality of the control environment and the propriety of other accounts or transactions. A quantitatively immaterial transaction that raises legal questions could be similarly qualitatively material because of potential material contingencies. Based on preliminary analytical review of the financial statements and our understanding of the needs of the financial statement users, we'll make a preliminary judgment about materiality for the financial statement audit.

## **Determining the audit approach for each transaction cycle**

We'll develop expectations and perform comparison of current and prior-year results; actual and budgetary information; and as appropriate, a comparison of specific benchmarks to your results. We'll also re-evaluate relative levels of inherent risk and control risk based on results so far and tailor audit programs based on final decisions of evidence desired from a combination of internal control testing, analytical procedures, and substantive tests of detailed transactions.

### *The analytical procedures we'll use in your audit*

Analytical procedures are generally performed throughout the audit engagement, and result in substantial discussion with management. Initially, we use common-size financial statements and trend and ratio analyses, among other techniques, to aid us in developing our audit plan and tailor made government audit programs. We make comparisons between current and prior-year results, actual and budgetary information, and against industry benchmarks. Nonfinancial data and external information are incorporated in our procedures to enhance their validity, and information is disaggregated as much as possible to improve precision. During our substantive testing of balances, we typically evaluate the detail of changes to certain accounts. For example, this approach is often used with sampling in our testing of loans, long-term debt, and investment accounts. For other accounts, we frequently use predictive analytical tests. At the conclusion of the audit, the audit team analyzes the financial statements with a holistic view in light of the results of all auditing procedures performed.

### *How we'll assess your information systems and internal control*

Gaining an understanding of your information systems and internal control, including those to make sure of compliance with laws and regulations, is a critical step in the audit process. The nature and extent of the company's deployment and use of IT to process accounting information can have a significant impact on an auditor's assessment of, and reliance on, internal control. Many internal controls that were "human-based" in the past are now embedded in software application programs. At Baker Tilly, we recognize the need to employ the use of dedicated IT professionals on every audit engagement to evaluate the technology environment and assess its impact on audit procedures and our reliance on internal control.

Our IT group will participate in the audit by working in tandem with our audit team to assess and document the technology environment and controls during interim work. They'll provide an advisory conclusion to the audit team about the control risks and fraud risks associated with your system and provide suggestions to you for areas of improvement they notice.

Interim



### **How we'll understand and document your internal control structure**

We'll obtain copies of all available system and policy/procedure documentation from your finance, human resources, IT, and other personnel responsible for such documentation. This may include organization charts, narratives, and flowcharts. We'll supplement this documentation with our own, if necessary.

We'll review the above-described documentation and meet with your personnel to make inquiries about, and discuss questions that arise from, our review. This review will include, in accordance with professional audit standards, evaluating the design of your controls, identifying control gaps, and evaluating whether controls have been placed in operation. We use a proprietary audit planning package to assist us in documenting your internal control and our assessment of the adequacy of internal control over your various processes. As mentioned earlier in our discussion of the audit approach, the framework of this system incorporates the requirements of auditing standards related to internal control and fraud detection, including IT. Our IT professionals will perform the above steps as they relate to the IT systems and environment.

Throughout this process, we look for opportunities for you to improve your internal control and accounting procedures and will communicate our recommendations for improvement as appropriate. Copies of your documentation related to your internal control structure will be retained in our audit file. This documentation will be updated annually for any changes through discussion with you.

### **Audit sampling**

We use two basic approaches to audit sampling for tests of monetary balances: statistical sampling using our data extraction software's monetary unit sampling (MUS) approach, and nonstatistical sampling. Considerable judgment is required in determining the appropriate values for the inputs used to compute the sample size. Sample sizes will depend on the population size, desired level of confidence, and tolerable deviation.

The following five factors are among those considered when using MUS or nonstatistical sampling:

- Desired level of confidence in or assurance from the sample
- Tolerable misstatement in dollars or tolerable deviation rate

- Expected misstatement in dollars or expected deviation rate
- Population size in dollars or number of items
- Number and total dollar amount of individually significant items in the population

### Final substantive testing



We'll perform final substantive work for the audit. We'll also perform post-statement of net position review procedures, substantive analysis of commitments, contingencies, and legal matters; and review of the management discussion and analysis, footnote disclosures and statistical section. Procedures include the following:

- Conduct an analysis of the detail of changes to certain accounts such as capital asset, long-term debt, and investment accounts
- Confirm existence of certain assets, such cash, investments, and receivables
- Perform independent valuation testing of investments
- Perform predictive analytical tests using specific data to develop expectations and/or procedures, such as agreeing information to supporting documentation
- Test approvals, timeliness of submission, and trace data to the general ledger for federal and state programs
- Perform a holistic review of the financial statements in light of the results of other auditing procedures at the conclusion of the audit

After reviewing your financial statements, we've identified a number of areas that we'll focus on during the audit.

SIGNIFICANT AUDIT AREA	PLANNED AUDIT ASSURANCE FROM			
	RISK ASSESSMENT	TEST OF CONTROLS	ANALYTICAL PROCEDURES	TEST OF DETAILS
Cash and investments	✓	✓		✓
User charges and revenues	✓	✓	✓	✓
Intergovernmental and tax revenues	✓	✓	✓	✓
Capital assets	✓	✓		✓
Long-term debt and bonds payable	✓	✓		✓
Payroll expenditures	✓	✓	✓	✓
Materials and services expenditures	✓	✓	✓	✓
Financial reporting	✓			✓

SIGNIFICANT AUDIT AREA	PLANNED AUDIT ASSURANCE FROM			
	RISK ASSESSMENT	TEST OF CONTROLS	ANALYTICAL PROCEDURES	TEST OF DETAILS
Oregon Minimum Standards and Local Budget Law	✓	✓		✓

**Post-fieldwork and reporting**    

We don't like surprises, and neither do you. That's why we hold an exit meeting with the finance committee at the end of interim and year-end fieldwork to discuss any findings, open items, or other issues—including the results of our audit (or fieldwork testing). This allows management to check that our findings are accurate as well as informing them of issues. After we've determined the points are valid, we'll provide draft reports to review prior to final issuance.

We also invite the board and supervisory committee to sit in during our exits with management to keep them apprised of possible issues. If they decline, we'll present the financial statements and the communication letters at a board and supervisory committee meeting at the conclusion of our audit.

**Report delivery**

Our firm policy is to deliver the audit reports and finalize our working papers as soon as possible after the completion of fieldwork. We commit to meeting all applicable deadlines for your audit, assuming we're provided all necessary information and data (i.e., client-prepared schedules and completed financial statements) in a complete and timely manner, and as long as no unexpected events beyond our control occur (i.e., material weaknesses in internal control or illegal acts noted during the audit). Our plan is to issue all of the reports prior to the deadlines noted in your request for proposal (RFP).

**Meeting deadlines**

Our firm's organization is well suited to remaining nimble when unforeseen issues arise with your audit. Overall, the best way to make sure deadlines are met is careful planning. That's why we're so insistent about meeting with your team well before the audit to agree on responsibilities and deadlines and to be proactive about addressing potential issues. In addition to planning, our relatively low staff turnover makes it extremely likely that your team will remain consistent throughout the audit and even from year to year. The further value in a consistent team is they'll be familiar with the City, which leads to a more efficient audit.

Our firm's staff is also used to being flexible, and our firm's philosophy means an auditor doesn't work for a particular office or region—they're part of a firmwide team and will go where they're needed at a moment's notice. Firmwide, our governmental team has more than 300 professionals who are experienced and qualified to step in if needed to meet your audit deadlines. Finally, our principals are invested with a large amount of decision-making authority, and issues can often be resolved without going outside of your service team. However, if an issue arises where we need to consult with our national office, they're just a phone call away, and decisions are made as quickly as needed. As with any client service provider, we understand the importance of keeping your business running on schedule, and we're used to being flexible to meet our clients' needs.

### **Pertinent management letters**

It's customary for our firm to produce a management letter and communicate verbally and in writing in conjunction with each engagement. The audit process provides an opportunity to assess performance and trends, identify opportunities to improve internal controls and/or accounting efficiency, and spot emerging needs or opportunities. By reporting these conditions and opening them to discussion, the management letter can play an important role in maintaining the financial health of the organization.

### **Timeline**

We will develop and deliver a project timeline once both parties have agreed on the issuance schedule and the client has confirmed readiness.

---

## Peer review

Baker Tilly and its professionals, in the course of conducting our professional services, work hard to meet auditing standards as promulgated by the AICPA and other applicable standard setters. Through the AICPA Peer Review Program, our system of quality control over the accounting and auditing practice applicable to non-SEC issuers is reviewed by another CPA firm every three years.

As of June 3, 2025, Baker Tilly and Moss Adams have merged, and both firms are in the process of integrating. Your proposed engagement team is a legacy Moss Adams team, so we've provided the relevant peer review information below as evidence of our continued ability to meet auditing standards in this response. When our next peer review is conducted, we expect both firms to be represented under one review.

For now, we can refer you to our most recent peer review, as conducted by Cherry Bekaert in 2023, which states that we achieved a "pass" opinion. A full copy of our most recent report is provided below. You can also find a copy of the report [here](#). We can provide details on Baker Tilly's peer review process and results upon request.

We've been subject to a peer review under the AICPA Peer Review Program every third year since the inception of the program in the 1980s. Our report has always been unmodified. We don't maintain specific records of the engagements selected for review. However, every year, at least one (typically several) government audit has been selected for review.

## Peer Review Report 2023



### Report on the Firm's System of Quality Control

To the Partners of Moss Adams LLP  
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Moss Adams LLP (the "Firm") applicable to engagements not subject to Public Company Accounting Oversight Board ("PCAOB") permanent inspection in effect for the year ended April 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](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported on 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 applicable 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 compliance audits under the Single Audit Act; audits of employee benefit plans; audits performed under FDICIA; and examinations of service organizations (SOC 1<sup>®</sup> and SOC 2<sup>®</sup> engagements).

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 Moss Adams LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended April 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*. Moss Adams LLP has received a peer review rating of *pass*.

*Cherry Bekaert LLP*

Atlanta, Georgia  
October 10, 2023

**Peer Review Report 2023 (Cont.)**



National Peer  
Review Committee

October 19, 2023

Jeffrey Brown  
Moss Adams LLP  
999 3rd Ave Ste 2800.  
Seattle, WA 98104-4057

Dear Jeffrey Brown:

It is my pleasure to notify you that on October 19, 2023, the National Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is October 31, 2026. This is the date by which all review documents should be completed and submitted to the administering entity.

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

Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink that reads "Michael Wagner". The signature is fluid and cursive.

Michael Wagner  
Chair, National PRC

+1.919.402.4502

cc: John Klisch, Erica Forhan

Firm Number: 900010050024

Review Number: 602495

# Responsiveness to change orders and modifications

## 1. Overview

The Firm is committed to maintaining a transparent, timely, and well-coordinated process for managing change orders and contract modifications. Our goal is to ensure that any adjustments to scope, deliverables, timelines, or costs are handled efficiently and in a manner that supports project continuity and accountability.

## 2. Responsiveness and timeliness

The Firm reviews all proposed change orders and contract modifications promptly upon receipt and will issue a timely response outlining any applicable adjustments to the project timeline and cost. The Firm will maintain consistent and timely communication with the Organization throughout the evaluation process, except in cases where the complexity of the request necessitates additional analysis.

Urgent or time-sensitive modifications are prioritized to avoid delays in project execution.

## 3. Evaluation process

Each proposed change order or modification is evaluated based on:

- Alignment with project objectives and contractual requirements
- Impact on scope, schedule, and budget
- Risk considerations and operational implications
- Availability of funding or resources
- Compliance with procurement and regulatory requirements

The Firm may request additional information or clarification from the City to ensure a complete and accurate assessment.

## 4. Communication and collaboration

The Firm maintains open communication with the City throughout the review process.

Any questions, required documentation, or concerns are communicated promptly to avoid unnecessary delays.

The City encourages collaborative problem-solving to ensure that modifications support project success.

## 5. Approval and documentation

All approved change orders and modifications are documented in writing and executed by authorized representatives of both parties.

No work associated with a proposed change may begin until formal approval is issued.

The Firm maintains complete records of all modifications for audit and contract management purposes.

## **6. Commitment to fairness and transparency**

The Firm strives to ensure that all change order decisions are:

- Fair and consistent
- Based on objective criteria
- Documented clearly and communicated promptly

This approach supports strong relationships and ensures that the project remains aligned with organizational goals and compliance standards.

---

## Management and board communication letters

It's customary for our firm to produce a management letter in conjunction with each engagement, and will provide such a letter addressing issues and observations identified during our engagement. The audit process provides an opportunity to assess performance and trends, identify opportunities to improve internal controls and/or accounting efficiency, and spot emerging needs or opportunities. By reporting these conditions and opening them to discussion, the management letter can play an important role in maintaining the financial health of the organization.

We'll also prepare a formal letter to communicate required items to the board at the conclusion of each audit. The board communication letter will contain the following information, as applicable:

- Our responsibility under auditing standards generally accepted in the United States of America
- Qualitative consideration of accounting policies
- Significant accounting policies
- Accounting estimates
- Adjustments made by the auditor and adjustments passed by the auditor
- Disagreements with management, if any
- Consultations with other independent accountants, if any
- Issues discussed prior to retention of independent auditors
- Difficulties encountered in performing the audit, if any
- Internal control structure related issue

## Value for fees

*When we say value for fees, we mean achieving your objectives and imagining new ones. We mean sharing insights, gaining efficiencies and directing our best resources to you.*

For our clients, it's about more than the dollars you pay at the end of the day; it's about value. We believe in transparency when it comes to our fees, and we're committed to providing high-quality services at a fair price. Our forward-thinking professionals will work closely with you to explore new possibilities, develop customized solutions to the challenges you face, and help you reach your goals.

SERVICE DESCRIPTION	ESTIMATED FEE 2025	ESTIMATED FEE 2026	ESTIMATED FEE 2027
Financial statement audit for The City of Yachats (the City)	\$39,000	\$40,950	\$43,000
Financial statement audit for blended component unit, Urban Renewal Agency (URA)	\$8,000	\$8,400	\$8,820
Financial statement preparation under modified cash basis of accounting for the City and the URA	Included	Included	Included
Transition meetings, review of predecessor auditor's workpapers, and getting up to speed	Included	Included	Included
Attendance at your finance committee meetings, including: <ul style="list-style-type: none"> <li>• Presentation of audit results</li> <li>• Communication of internal control issues</li> <li>• Management letter</li> </ul>	Included	Included	Included
Consulting, as needed	Hourly rates	Hourly rates	Hourly rates
<b>Total</b>	<b>\$47,000</b>	<b>\$49,350</b>	<b>\$51,820</b>

## Fee details

SUBJECT	THE DETAILS
Progress billing	Progress billings are based on hours and expenses completed at the time of billing. Bills are due upon receipt. We reserve the right to charge interest on accounts over 30 days past due.
Expenses	<p>Our engagement letter will provide an estimate of the expenses for the services to be provided. Direct travel expenses will be billed monthly as incurred.</p> <p>Travel time is billed at one-half our standard rates.</p>
Cost overruns	During the course of the audit, we'll measure our progress against our planned budget. If situations arise that are significantly different than our expectations, we'll bring them to your attention immediately and discuss various options before we proceed. We'll meet weekly during the course of fieldwork with the appropriate parties to ensure there are open lines of communication between our organizations.
Future new audit, review, and accounting standards	Our fee estimate discussed herein is based on accounting and professional standards that exist and are applicable as of the date of this proposal. To the extent that future rulemaking activities require modification to our audit approach, procedures, scope of work, etc., we'll advise you of such changes and the impact on our fee proposal. If we're unable to agree on the additional fees, if any, that may be required to implement any new accounting, auditing, and review standards that are required to be adopted and applied as part of our engagement, we reserve the right to withdraw from the engagement, regardless of the stage of completion.
Routine phone calls and emails	Our policy is to not charge for short telephone calls seeking miscellaneous advice unless those consultations require significant additional work or research. If a matter requires further follow-up, we'll discuss a fee estimate with you before incurring significant time.
Minor research and consultation	If we're requested to provide minor research or consultation service, we'll estimate the number of hours necessary to provide the requested services. We'll then provide a fee quote for your approval before commencing any work. Our fees for these services are generally at our standard billing rates.
Predecessor auditors	Our fee estimates are based on the assumption that the predecessor auditors will provide timely access to their audit working papers for the year ended June 30, 2024. Further, it's assumed that the audit work performed by the predecessor auditor will be adequate to support beginning balances.
Audit preparation	Our proposed fees are based on the presumption that your books and records will be ready for audit and minimal audit adjustments will be required. If accounting assistance is required to reconcile accounts, we'll discuss the issues with you, and additional fees will be billed separately, at our standard rates. Additionally, our fee quote assumes that we won't identify any audit findings, including significant deficiencies or material weaknesses. If potential audit findings are identified, costs for investigating and reporting them will be in addition to our audit fees.

SUBJECT	THE DETAILS
Component Units	Our fee estimate is for the audit of the City's primary government and the blended component unit, the Urban Renewal Agency, and doesn't include the cost of auditing any additional component units. If it is later determined that other entities are component units to be included in the City's financial statements, we will negotiate under a separate agreement or addendum or refer to the work of other auditors, as applicable.

---

## Looking ahead

### Guiding your journey towards future growth and success

As we look ahead, we want to thank you for the valuable insights you've shared with us throughout this proposal process. Your input has allowed us to better understand the unique challenges and opportunities the City faces within the government sector.

Drawing on our extensive experience with similar clients, we have identified several areas where you may benefit from additional support. Our services are designed to address these specific needs, helping you navigate complexities and achieve your strategic goals. We are committed to bringing the right people together at the right time to drive your success and look forward to future conversations about your unique opportunities.

We are excited to explore how Baker Tilly's capabilities can support your future growth, success, value creation and efficiencies.

### Affirming our commitment to you

Our team will always look for a better way to help you stay ahead of every curve on our journey together.

*The information provided here is of a general nature and is not intended to address the specific circumstances of any individual or entity. In specific circumstances, the services of a professional should be sought.*

*Baker Tilly US, LLP and Baker Tilly Advisory Group, LP and its subsidiary entities provide professional services through an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable laws, regulations and professional standards. Baker Tilly US, LLP is a licensed independent CPA firm that provides attest services to clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and business advisory services to their clients. Baker Tilly Advisory Group, LP and its subsidiary entities are not licensed CPA firms. Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are independent members of Baker Tilly International. Baker Tilly International Limited is an English company. Baker Tilly International provides no professional services to clients. Each member firm is a separate and independent legal entity, and each describes itself as such. Baker Tilly Advisory Group, LP and Baker Tilly US, LLP are not Baker Tilly International's agent and do not have the authority to bind Baker Tilly International or act on Baker Tilly International's behalf. None of Baker Tilly International, Baker Tilly Advisory Group, LP, Baker Tilly US, LLP nor any of the other member firms of Baker Tilly International has any liability for each other's acts or omissions. The name Baker Tilly and its associated logo is used under license from Baker Tilly International Limited.*

CITY OF YACHTS  
CAPITAL IMPROVEMENT PROJECTS

1/14/2028

PRIORITY	MASTERPLAN	DEPARTMENT / DETAIL	CIP BUDGET		FISCAL 2025-2026		SPEND or CARRY		CIP 5 YEAR PROJECTION						
			ADOPTED APPROV	APPROPS AFTER RECLASS	ACTUAL SPEND TO DATE	(REMAINING) AVAILABLE TO YEAR END	Estimated Spending through June	CARRY FORWARD	FISCAL CIP YR1	FISCAL CIP YR2	FISCAL CIP YR3	FISCAL CIP YR4	FISCAL CIP YR5	FISCAL CIP >5YRS	
			2025-2026	11/14/2026	1/7/2026			2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	>2031		
<b>WATER (WTP)</b>															
1	MIP D-02	System Pressure Release Valve Rehab/ Update	50,000												
1	MIP D-03	Windsong Street Service Reconnections	11,000												
1	MIP D-04	New PRV at 7th Street & Radar Road	101,000												
1	MIP D-05	New PRV on King Street Between 7th and Prospect Ave	101,000												
1	MIP D-06	New 8" Water Main on Radar Road at Prospect Ave	57,000												
1	MIP D-07	New 8" Water Main on King Street at Prospect Ave	86,000												
1	MIP D-10	Combs Circle Pressure Release Valve Rehab	40,000												
1	MIP D-13	2ND ST PH3 Loma to River Rd Engineering - Water	15,000												
1	MIP D-13	2ND ST PH3 Loma to River Rd Waterline Construction	150,000	284,000	284,000	281,530	2,470	0	0	50,000	50,000	50,000	50,000	50,000	
1	MIP S-03	Analysis / Engineering SWLOWPUD	75,000	50,000	50,000	11,157	38,843	0	0						
1	MIP S-05	Reedy Creek Raw Water Pipeline Improvements	208,000	300,000	7,802	7,802	0	0	300,000						
1	MIP T-01	Water Plant Electrical Control Systems - MCC (Master Control)	814,000						407,000	407,000					
1	MIP T-01	WTP Upgrade CIP Annually	30,000	30,000	30,000	28,708	1,292	19,000	30,000	30,000	30,000	30,000	30,000	30,000	
2	MIP D-08	New 8" Water Main on West Third (3rd) Street	167,000						210,000						
2	MIP D-08	West Third Street Engineering Water		30,000	30,000	949	29,052	30,000	0						
2	MIP D-09	New 4" Water Main and PRV on Horizon Hill Road (Hillside Rock)	737,000											737,000	
2	MIP D-11	Yachts Ocean Road Service Reconnections	20,000											20,000	
2	MIP D-15	Pontiac Street Waterline - 3rd to 4th	88,000						88,000						
2	MIP D-16	Shell Street Waterline	79,000											79,000	
2	MIP D-17	Gender Drive and Windy Way Waterlines	254,000											254,000	
2	MIP D-18	Pontiac Street Waterline - 2nd to 3rd	105,000						105,000						
2	MIP D-19	Hanley Drive Waterline	47,000											47,000	
2	MIP P-01	New Radar Road Pump Station	767,000											767,000	
2	MIP P-02	New Horizon Hill Pump Station & Reservoir	1,079,000											1,079,000	
2	MIP ST-01	New 200,000-gallon Lower Radar Road Reservoir	2,000,000											2,000,000	
2	MIP ST-02	Water Tank Seismic Retrofit Engineering	60,000												
2	MIP ST-04	Feasibility Study For Water Tank - New Reservoir Site A		210,000	130,112	130,112	0	0							
2	MIP ST-04	Feasibility Study For Water Tank - New Reservoir Site B					86,000		86,000						
2	MIP ST-05	1,000,000-gallon Reservoir Replacement	6,000,000							4,000,000	4,000,000				
2	MIP T-02	Property Acquisition for Reservoir Replacement		750,000	0				0						
2	MIP T-02	Water Plant Clarifier - Rehabilitation of Drives (S641K)	250,000							250,000					
2	MIP T-03	WTP Mixed Media Filter Rehabilitation	350,000											350,000	
2	MIP T-04	WTP Pump and Compressor Upgrades	402,000						402,000					402,000	
2	MIP T-07	WTP Building Seismic Retrofit	270,000											270,000	
3	MIP D-20	Automated Water Meter Reading System	318,000											318,000	
		Annual Hydrant Replacements	10,000	30,000	30,000	29,953	47			40,000	40,000	40,000	40,000	40,000	
		Blackstone 126 res Fence	25,000	25,000	0	0	0	0	0						
		Property Acquisition, Surveys, Geotech	250,000												
		Public Works Slide Gate	20,000	0	20,075	20,075	0	0	0						
		SCADA Upgrade	60,000	30,000	30,000			30,000	0	30,000	30,000	30,000	30,000	30,000	
		South Tank Seismic Improvements													
		Water Booster Stations Gensets	70,000	80,000	80,000			0	80,000	80,000					
		Water Meter Upgrades		25,000	15,711	15,711		9,289	0	25,000	25,000	25,000	25,000	25,000	
		Water Treatment Plant Fence	20,000	20,000	20,000										
		Overlook Water Line Engineering and Construction		0	25,000		25,000		0	350,000					
		Water Unplanned / Contingency		25,000	25,000					25,000	25,000	25,000	25,000	25,000	
		<b>TOTAL WTP</b>	<b>15,186,000</b>	<b>1,889,000</b>	<b>863,700</b>	<b>525,995</b>	<b>96,704</b>	<b>199,289</b>	<b>80,000</b>	<b>1,605,000</b>	<b>5,603,000</b>	<b>4,607,000</b>	<b>200,000</b>	<b>200,000</b>	<b>6,523,000</b>
<b>WASTEWATER (WWTP)</b>															
1	MIP G-01	Sewer Line from King Street to 3rd Street (Manhole D-220 to Manhole D-270)	140,000							140,000					
1	MIP G-02	Mainline A Manhole between D-040 to A-050	141,000	15,000	15,000			15,000	0					141,000	
1	MIP G-03	Mainline D Manhole D-010 to D-030, Ocean View Drive	263,000							45,000	263,000				
1	MIP G-04	Hanley Drive Sewer Manholes	40,000	20,000	20,000			0	20,000	20,000					
1	MIP G-05	Wastewater Collection System Design Standards	5,000												
1	MIP P-01	Submersible Pump Plug Engineering & Installation	371,000												
1	MIP P-02	WW Portable + Backup Generator													
1	MIP P-03	Quiet Water Lift Station Improvements	493,000	50,000	50,000			50,000	0	250,000	193,000				
1	MIP T-02	SBR and Digester Diffuser Membrane Replacement	15,000											15,000	
1	MIP T-04	PW Rehab - Roofing	200,000										100,000	100,000	
1	MIP T-04	PW Rehab - Exterior Panels	350,000										100,000	250,000	
1	MIP T-05	Outfall Pipeline Improvements	120,000	30,000	0					30,000	200,000				
2	MIP F-01	Pontiac Lift Station Force Main Engineering	45,000	12,000	12,000			12,000	0						
2	MIP F-01	Pontiac Lift Station Force Main Improvements	121,000							121,000					
2	MIP F-02	Riverside Lift Station Force Main Engineering		33,000	33,000			33,000	0						
2	MIP F-02	Riverside Lift Station Force Main Improvements	326,000								326,000				
2	MIP P-04	Main Lift Station Improve	405,000	166,000	166,000	48,513	117,487	80,000	0	0					
2	MIP P-05	Parkside Lift Station Improvements	218,000							109,000	109,000				
2	MIP P-06	Riverside Lift Station Improvements	250,000							100,000	100,000				
2	MIP P-07	Pontiac Lift Station Improvements	218,000							109,000	109,000				
2	MIP T-07	New Biosolids Disposal Site Acquisition	50,000											50,000	
2	MIP T-08	Biosolids Manure Spreader	100,000											100,000	
2	MIP T-09	Aerobic Digester and Sludge Storage Tank Air Supply System Imps.	223,000											223,000	
2	MIP T-10	Aerobic Digester Tank Coating and Piping Improvements	330,000											330,000	
2	MIP T-11	SBR, EQ Basin, & Digester Control System Upgrades	972,000											972,000	
2	MIP T-12	UV Disinfection Control Upgrades	85,000												
2	MIP T-13	SBR Basin #3	1,236,000											1,236,000	
		Annual Inflow and Infiltration (I&I) Rehabilitation	40,000	40,000	40,000	0	40,000	25,000		40,000	40,000	40,000	40,000	40,000	
		Multi-VFD Upgrades	50,000												
		Man Doors PW Bldg #2	15,000	80,000	80,000										
		Public Works Slide Gate	25,000	0	18,849	18,849	0	0	0						
		GIS Mapping & Geolocation Utility Line Hardware	25,000												
		2ND PH3 Loma to River Rd Wasteline Engineering	10,000												
		2ND PH3 Loma to River Rd Wasteline Construction	50,000	50,000	50,000	47,589	2,411	0	0						
		PW Fuel Tank & Trailer	15,000												
		Wastewater Treatment Plant Upgrades	240,000	85,000	85,000	19,694	65,306	65,306	0	120,000					
		949 Yachts River Rd Property Improvements		58,000	26,000	5,827	20,173	20,000	0	10,000	10,000	10,000	10,000	10,000	
		West 3rd Street Engineering Wastewater		10,000	10,000	949		10,000	0						
		Pontiac Lift Station Pump 3 Upgrade													
		WW Roll Up Doors													
		PW Design Standards		0				2,000							
		Wastewater Mixing Zone Study													
		Wastewater Unplanned / Contingency		25,000	25,000					25,000	25,000	25,000	25,000	25,000	
		<b>TOTAL WWTP</b>	<b>7,187,000</b>	<b>594,000</b>	<b>550,849</b>	<b>141,420</b>	<b>245,377</b>	<b>312,306</b>	<b>20,000</b>	<b>934,000</b>	<b>971,000</b>	<b>864,000</b>	<b>275,000</b>	<b>425,000</b>	<b>3,142,000</b>
		<b>TOTAL ENTERPRISE BEFORE CAPITALIZED LABOR</b>	<b>22,373,000</b>	<b>2,483,000</b>	<b>1,414,549</b>	<b>667,415</b>	<b>342,081</b>	<b>511,595</b>	<b>100,000</b>	<b>2,539,000</b>	<b>6,574,000</b>	<b>5,271,000</b>	<b>475,000</b>	<b>625,000</b>	<b>9,665,000</b>
<b>STREETS</b>															
		<b>EAST 2nd Street PH 3 - Loma to River Rd 560'</b>													
		Loma to River Rd General Engineering	13,000	20,000	0			0	0						

CITY OF YACHTS  
CAPITAL IMPROVEMENT PROJECTS

1/14/2028

PRIORITY	MASTERPLAN	DEPARTMENT / DETAIL	CIP BUDGET		FISCAL 2025-2026		SPEND or CARRY		CIP 5 YEAR PROJECTION						
			ADOPTED APPROP	APPROPS AFTER RECLASS	ACTUAL SPEND TO DATE	(REMAINING) AVAILABLE TO YEAR END	Estimated Spending through June	CARRY FORWARD	FISCAL CIP YR1	FISCAL CIP YR2	FISCAL CIP YR3	FISCAL CIP YR4	FISCAL CIP YR5	FISCAL CIP >5YRS	
		Emergency Preparedness	20,000						20,000	20,000		20,000	20,000	20,000	20,000
		Exterior Rehabilitation; ADA Compliant/Code & Safety Review	60,000						60,000						
		Code Compliance Vehicle		10,000	0	0			12,000						
		Radar Speed Trailer		13,000	13,000	0	13,000	13,000	0						
		Masterplan Project Implementations - City Hall							100,000	50,000	50,000	50,000	50,000	50,000	
		City Hall Lighting Upgrade	5,809	6,000	5,935	5,935	0	0	0						
		Generator Relicensing and Relocation for City Hall							50,000						
		Trolley Purchase		121,000	127,324	127,324	0	0	0						
		Trolley Signage							8,000						
		Security Alarm/Model	10,000	5,000	0	0	0	0	60,000						
		<b>TOTAL BEFORE CAPITALIZED LABOR</b>	<b>106,809</b>	<b>166,000</b>	<b>157,259</b>	<b>137,632</b>	<b>19,627</b>	<b>13,000</b>	<b>0</b>	<b>333,000</b>	<b>70,000</b>	<b>70,000</b>	<b>70,000</b>	<b>70,000</b>	<b>70,000</b>
		<b>PARKS &amp; TRAILS</b>													
		Bayside Boardwalk Engineering	125,000												
		Extension of Walkway to State Park	750,000							200,000	100,000	100,000	100,000	100,000	
		Landmark Gateway Overlook and Improvements	450,000						50,000	200,000	100,000	100,000	100,000	100,000	
		Boardwalk Construction	875,000	250,000	250,000	9,535	240,465		700,000	0	0	0	0	0	
		Underground Utilities	200,000	100,000	100,000	0	100,000		0						
		O'Neill Landmark Property													
		Masterplan Project Implementations - Parks and Trails							100,000	50,000	50,000	50,000	50,000	50,000	
		<b>TOTAL BEFORE CAPITALIZED LABOR</b>	<b>2,400,000</b>	<b>350,000</b>	<b>350,000</b>	<b>9,535</b>	<b>340,465</b>	<b>0</b>	<b>0</b>	<b>850,000</b>	<b>450,000</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>	<b>150,000</b>
		<b>COMMONS</b>													
		Gutters and Fascia and Roof Repair	50,000						80,000						
		Emergency Shelter - Commons	30,000	10,000	5,000				5,000	5,000					
		Sound / Lighting Updates	25,000	50,000	50,000	49,985	15	0	0						
		Generator Relicensing and Relocation - Resiliency Measure	15,000	15,000	15,000				200,000						
		Park Plan / Civic Plan / Masterplan		20,000	5,025	5,025	0	0	0						
		Masterplan Project Implementations							100,000	100,000	100,000	100,000	100,000	100,000	
		Resiliency - Solar Energy	175,000												
		Public Restroom	150,000	25,000	50,000	19,137	30,863	28,766	0	125,000					
		Stairs NE Entrance	30,000	45,000	0					45,000					
		Commons NE Entrance	105,000							105,000					
		Existing Pavilion Upgrades	40,000	160,000	160,000	-4,781	164,781	164,781	0	300,000					
		Commons Addition for YYFAP		0	15,939	15,939	0	0	0	200,000					
		Commons Acoustic Panels MP Room		0	15,060	15,060				55,000					
		Greenspace Pavilion (New)								200,000					
		Commons Storage Improvements	14,500							5,000					
		<b>TOTAL BEFORE CAPITALIZED LABOR</b>	<b>634,500</b>	<b>325,000</b>	<b>316,024</b>	<b>100,366</b>	<b>195,658</b>	<b>193,547</b>	<b>0</b>	<b>1,070,000</b>	<b>455,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>
		<b>LIBRARY</b>													
		Preconstruction and Construction	1,150,000	880,000	871,744	871,744	0								
		Interior Finishing	100,000	100,000	133,256	61,945	71,311	74,435							
		Interior Wall Feit	25,000	25,000	0										
		ADA Push Buttons for Doors	40,000							40,000					
		Final Landscaping	55,000							55,000					
		<b>TOTAL BEFORE CAPITALIZED LABOR</b>	<b>1,370,000</b>	<b>1,005,000</b>	<b>1,005,000</b>	<b>933,689</b>	<b>71,311</b>	<b>74,435</b>	<b>0</b>	<b>95,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
		<b>LLM</b>													
		LLM Rehabilitation	500,000	285,000	161,800	86,800	75,000	75,000	0						
		<b>TOTAL BEFORE CAPITALIZED LABOR</b>	<b>500,000</b>	<b>285,000</b>	<b>161,800</b>	<b>86,800</b>	<b>75,000</b>	<b>75,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
		<b>ENTERPRISE FUNDS TOTAL</b>	<b>22,373,000</b>	<b>2,483,000</b>	<b>1,414,549</b>	<b>667,415</b>	<b>342,081</b>	<b>511,595</b>	<b>100,000</b>	<b>2,539,000</b>	<b>6,574,000</b>	<b>5,271,000</b>	<b>475,000</b>	<b>625,000</b>	<b>9,865,000</b>
		<b>GENERAL FUNDS TOTAL</b>	<b>5,361,109</b>	<b>2,403,000</b>	<b>2,212,083</b>	<b>1,451,056</b>	<b>741,027</b>	<b>383,467</b>	<b>0</b>	<b>3,058,000</b>	<b>1,605,000</b>	<b>530,000</b>	<b>530,000</b>	<b>530,000</b>	<b>480,000</b>
		<b>GRAND TOTAL</b>	<b>27,734,109</b>	<b>4,886,000</b>	<b>3,626,632</b>	<b>2,118,472</b>	<b>1,083,108</b>	<b>895,062</b>	<b>100,000</b>	<b>5,597,000</b>	<b>8,179,000</b>	<b>5,801,000</b>	<b>1,005,000</b>	<b>1,155,000</b>	<b>10,145,000</b>
					<b>(1,259,388)</b>										

NOTES:  
\* \$100,000 approved Grant