

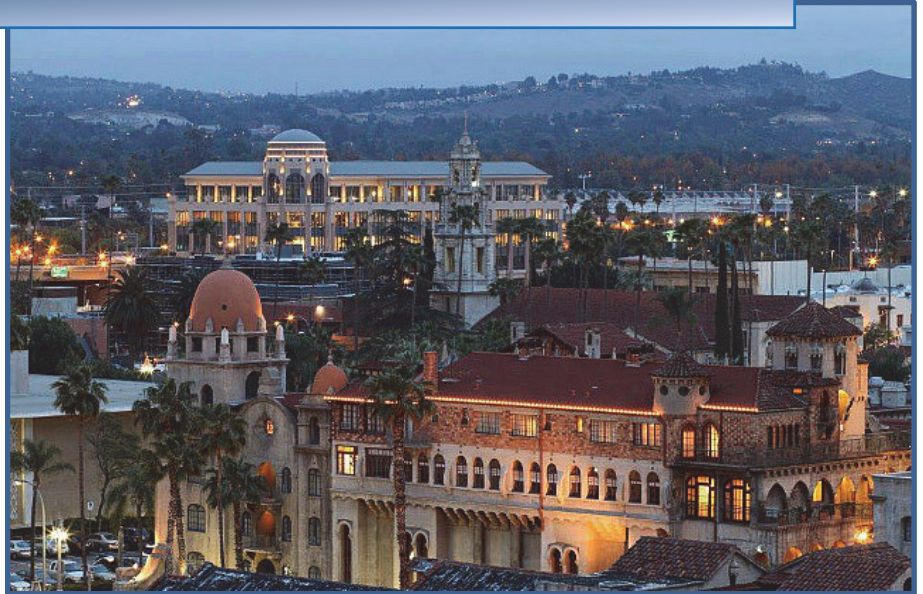


PROPOSAL TO PERFORM THE AUDITS FOR THE

# CITY OF RIALTO

RFP# 18-080

APRIL 12, 2018



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## TABLE OF CONTENTS

Letter of Transmittal .....	1-2
Firm Profile .....	3
License and Independence .....	3
Range of Activities .....	3-4
Participation in Peer Review Program .....	4
Audit Staff Technical Qualifications and Experience .....	4
Current Municipal Audit Clients and References .....	5-11
Single Audits .....	12
GFOA Award Programs for Financial Statements .....	12
Scope of Services .....	12
Audit Approach .....	13-17
Audit Timing .....	18-19
Audit Technology Capabilities .....	20
Identification of Anticipated Potential Audit Problems .....	20
Insurance .....	20
Appendix A - Peer Review Report .....	21-23
Appendix B - Audit Team Resumes .....	24-34
Appendix C - Small Business Concerns Information ..	35-36
Appendix D - Disclosures Required by Persons or Entites Contracting with the City of Rialto .....	37-38
Appendix E - Proposer Signature Declaration .....	39-40
Appendix F - Proposers Background Information .....	41-42
Appendix G - Proposers Declaration .....	43-45
Appendix H - Statement of Proposers Qualifications ..	46-47
Appendix I - Certification of Non-Discrimination by Consultants .....	48-49
Appendix J - Non-Collusion Affidavit .....	50-51



Teaman, Ramirez & Smith, Inc., founded in 1929, has specialized in auditing governmental agencies in excess of eighty years. The firm's audit partners have over 50 years of combined experience auditing California governments, making us one of the leading firms in the Riverside, California area. By combining our expertise, experience and the team mentality of our staff, we assure that every client receives the close analysis and attention they deserve.



April 12, 2018

City of Rialto  
249 S. Willow Avenue  
Rialto, CA 92376

Teaman, Ramirez & Smith, Inc. is pleased to respond to your request for proposal to perform professional services for the City of Rialto (the "City"). We hope this proposal conveys our strong desire and qualifications to fulfill your requirements. We understand this proposal is to audit the City's financial statements for the fiscal years ending June 30, 2018 through 2020.

Teaman, Ramirez & Smith, Inc. is well qualified to provide these services for the following major reasons:

- Commitment to deliver quality audit reports on time so requirements of the City can be met in a timely manner.
- Ability to provide experienced personnel to ensure year-to-year continuity.
- Local CPA firm responsiveness and attentiveness. We are proactive in helping clients achieve a high level of financial reporting, including the implementation of new accounting pronouncements.
- Thorough understanding of the reporting requirements of the City. We have assisted many governments in achieving the GFOA and/or CSMFO financial statement awards for financial reporting.
- The engagement partner is a working partner and will be actively involved throughout the audit process.

Teaman, Ramirez & Smith, Inc. will take a proactive role in providing professional services to the City of Rialto. Not only will we respond to specific requests and needs in a timely manner, we also will take the initiative to assist you in planning and seeking out opportunities to improve overall efficiency and control. This will enable City staff to deliver the best and most cost effective service to its citizens.

The scope of our services for the year ending June 30, 2018 would be as follows:

- A financial audit of the City of Rialto, and applicable component units, in accordance with auditing standards generally accepted in the United States of America and Governmental Auditing Standards issued by the Comptroller General of the United States, to be included in the Comprehensive Annual Financial Report (CAFR)
- A Single Audit of Federal Grants to be performed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards* (Uniform Guidance), when required.
- An agreed-upon procedures review of the calculation of the City's Appropriations Limit (GANN), as required by Section 1.5 of Article XIII B of the California Constitution.
- A management letter containing any comments or recommendations resulting from our review of the systems of internal controls in connection with the financial audits.
- A report communicating information related to the audit of those in charge of governance at the conclusion of the audits.

We will provide an audit team to perform the audit at the City with a strong background in governmental accounting and auditing. Our audit team will be readily available all year to serve the City. Also, our proposed team will be committed to providing excellent service and quality reports within the time frame necessary for the City to meet its requirements.

In addition to our audit team's work, a municipal audit manager independent of the audit team and a municipal audit partner will review all work papers and reports upon completion of the audit to ensure the quality of the audit.

Quality communication is an integral part of our approach to the services we provide, as is committing to meet your deadlines. During the engagement we will remain in contact with the City's designated representatives to keep the City informed of the status of the engagement. To ensure we are meeting the City's needs, we will ask you, after each engagement, to evaluate our services. It will be our utmost priority to meet the City's needs and goals in the performance of these audits.

We certify that Joshua Calhoun is entitled to represent the firm, empowered to submit this bid and authorized to sign a contract with the City of Rialto. Should you have any questions regarding our proposal or desire additional information, please call Joshua Calhoun, Partner at (951) 274-9500.

Respectfully submitted,

**TEAMAN, RAMIREZ & SMITH, INC.**



Joshua J. Calhoun  
Certified Public Accountant



**CITY OF RIALTO**  
**DOLLAR COST PROPOSAL**

April 12, 2018

April 12, 2018

City of Rialto  
249 S. Willow Avenue  
Rialto, CA 92376

We are pleased to present this audit cost proposal. We have provided you with a significant amount of information about our firm, our service approach to auditing and the individuals who will serve you. We are committed to provide the highest level of service to the City of Rialto at a reasonable cost. However, costs should not be overemphasized in selecting a firm of independent public accountants with which you plan to establish a continuing relationship. We urge you to select the firm you believe is most qualified to provide you with all the services you require – now and in the future – in a dedicated and responsive manner.

This proposal is made with the assumption that the City's books and records will be in a reasonably balanced condition and reconciled at the start of the audit and that the representations made to us during this proposal process will remain effective throughout our engagement.

We agree the City may broaden the scope of our engagement and we agree to hold ourselves available to perform such additional work as the City may desire and as independence standards allow. Progress billings, covering a period not less than a calendar month, will be submitted. A final billing will be submitted upon delivery of all required reports. No billings will be made for out-of-pocket expenses or any other expenses such as typing, clerical, printing or travel costs.

Our fee philosophy is to develop and maintain long-term client relationships by offering fair and competitive pricing. As a result, we are sensitive to the City's need to control costs. It is our commitment to offer quality service at competitive and fair rates. Our fees are predicated on no significant changes in key finance and/or City management personnel, significant bond issues and existing GASB pronouncements through GASB No. 85. Should there be new pronouncements beyond Statement No. 85 that require significant implementation, additional audit procedures during our contract period, or significant management turnover, our fees may require revision. The fees for single audit are based on the assumption that the single audit will include no more than one major program, in accordance with OMB Uniform Guidance. Additional fee per single audit program will be \$1,750.

Thank you for providing us the opportunity to present our proposal for audit services as we would like very much to become the City's auditors. We certify that Joshua J. Calhoun is entitled to represent the firm, empowered to submit this bid and authorized to sign a contract with the City of Rialto. Should you have any questions regarding our proposal or desire additional information, please call, Joshua Calhoun, Partner, at (951) 274-9500.

Respectfully Presented,

TEAMAN, RAMIREZ & SMITH, INC.

A handwritten signature in blue ink, appearing to read 'J. Calhoun', with a long horizontal flourish extending to the right.

Joshua J. Calhoun  
Certified Public Accountant

**CITY OF RIALTO**  
**TOTAL ALL INCLUSIVE MAXIMUM FEE**

<b>Description</b>	<b>Fiscal Year Ending <u>06/30/2018</u></b>	<b>Fiscal Year Ending <u>06/30/2019</u></b>	<b>Fiscal Year Ending <u>06/30/2020</u></b>
All Audit Services	\$ 69,750	\$ 71,500	\$ 73,500
<b>Total all-inclusive maximum price</b>	<b><u>\$ 69,750</u></b>	<b><u>\$ 71,500</u></b>	<b><u>\$ 73,500</u></b>

**PROPOSED HOURLY RATES FOR ADDITIONAL SERVICES**

<b>Position</b>	<b>Standard Hourly Rate</b>	<b>Proposed Hourly Rate</b>
Partner	\$ 240	\$ 190
Manager	\$ 190	\$ 140
Senior Accountant	\$ 150	\$ 120
Staff Accountant	\$ 130	\$ 100

**CITY OF RIALTO  
SCHEDULE OF PROFESSIONAL FEES  
FOR ALL SERVICES**

**FISCAL YEAR 2017-18 ONLY**

	<u>Hours</u>	<u>Standard Hourly Rates</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partners	215	\$ 240	\$ 190	\$ 40,850
Managers	40	175	140	5,600
Senior Accountant	185	150	120	22,200
Staff	<u>185</u>	135	100	<u>18,500</u>
Subtotal	<u>625</u>			<u>\$ 87,150</u>
Discount				<u>\$ (17,400)</u>

Total maximum price for the FY 2017-18 audit: **\$69,750**

\*It is expected that a similar number of hours and rates will be effective for the term of service with the City.



## Firm Profile

Teaman, Ramirez & Smith, Inc., founded in 1929, has specialized in auditing governmental agencies in excess of eighty years. The firm's audit partners have over 50 years of combined experience auditing California governments. The firm is a local firm based in Riverside, California and totals thirty people, including 5 partners. The government audit staff consists of eight members who devote approximately 80% of their time to government audits. Our goal is to maintain continuity of staff throughout the audit contract. The audit for the City will be conducted by the following full-time audit staff:

- 1 - Municipal Audit Partner
- 1 - Municipal Audit Manager
- 1 - Municipal Senior Accountant
- 2 - Municipal Staff Accountant

## License and Independence

Our firm, all partners and key professional staff are licensed by the California State Board of Accountancy to practice in the State of California. Our firm is independent of the City of Rialto and its component units in accordance with generally accepted auditing standards as promulgated by Rule 101 (Code Citation 1.200) of the American Institute of Certified Public Accountants Code of Professional Conduct, generally accepted government auditing standards promulgated by the U.S. General Accounting Office (GAO), and the rules of the California State Board of Accountancy and Accounting Oversight Board.

As part of the firm's quality control system, the firm maintains a library which contains the authoritative rules on independence. All professional employees are required to review the firm's client list and sign a representation letter annually that acknowledges their familiarity and compliance with the firm's independence, integrity and objectivity policies and procedures. New clients are announced periodically as they are obtained.

## Range of Activities

The firm's range of activities, besides municipal audits, includes commercial/non-profit audits, reviews, compilations, fraud examinations, financial services, all types of tax returns and tax planning, accounting systems assistance, and management advisory services. In addition, over the years, our firm has advised local governments on various issues including real estate transactions, self-insurance reserves, bond issues, implementation of new accounting pronouncements, along with a variety of other services summarized below:

- Agreed upon procedure engagements relating to dissolution of RDA's.

- Special agreed upon procedures engagements relating to golf course receipts and other activities.
- Special agreed upon procedures engagements relating to investments and other activities.
- Audit of contract refuse hauler companies seeking rate increases.
- Special gross receipts audits for compliance with City business license tax.
- Special audits of motels and hotels for compliance with payment of transient occupancy tax.
- Assistance with recording activities resulting from the issuance of bonds.
- Preparation of street reports, and various State Controller's Reports.
- Internal Control evaluations and recommendations, assistance with fraud prevention programs.

## Participation in Peer Review Program

Our firm underwent peer reviews by the American Institute of Certified Public Accountants in July 1990, August 1993, June 1996, July 1999, June 2002, June 2005, August 2008, November 2011, November 2014, October 2017, and the State Controller's Office in August 1990 and received unqualified opinions on each review, which included reviews of specific government (yellow-book) engagements. There have been no disciplinary or regulatory actions taken against our firm. A copy of our most recent peer review report is included in **Appendix A**.

## Audit Staff Technical Qualifications and Experience

We plan to provide continuity of audit staff from year to year, which is in the best interest of the City and is most efficient from our firm's perspective.

The audit staff represent highly trained government auditors. While staff training is a continual process, because of our high level of audit supervision, we avoid putting our clients in a position of having to "train" the auditors. All audit staff are required to complete at least 80 hours of continuing education every 2 years, with a majority of these hours relating specifically to government accounting and auditing subjects. Continuing education requirements are met through classes put on by professional organizations, such as the CalCPA, GFOA, the AICPA, Thomson Reuters, along with an intensive in-house training program devoted to government accounting and auditing subjects.

We have extensive knowledge of Uniform Guidance (formally OMB Circular A-133). We monitor changes in a variety of topics related to governments as published by the American Institute of Certified Public Accountants (AICPA), Government Accounting Standards Board (GASB), General Accounting Office (GAO) pronouncements and other federal regulations. Our participation in internal and external continuing professional education courses ensures all members of the engagement team stay informed of Uniform Guidance topics. Resumes for the key individuals serving your City are included at **Appendix B**.

## Current Municipal Audit Clients and References

The City understandably desires that its auditors have proven experience, in-depth knowledge and technical expertise in dealing with the unique issues facing governmental entities. Our practice has been active in the audit of governmental entities for over 80 years. The following is a partial list of current and prior municipal audit clients:

### Governments (Cities and Component Units)

City of Adelanto#	City of Corona*@
· Adelanto Public Utility Authority#	· City of Corona Dial-A-Ride Fund
Town of Apple Valley*	· Corona Parking Authority
· Apple Valley Redevelopment Agency	· Corona Redevelopment Agency
City of Banning*	City of Dana Point*@
· Banning Redevelopment Agency	City of Desert Hot Springs
· Banning Transit System	· Desert Hot Springs Redevelopment Agency
City of Buena Park*@	Desert Resorts Regional Airport Authority
City of Big Bear Lake*	City of Diamond Bar*
· Big Bear Lake Fire Protection District	City of Eastvale@#
· Big Bear Lake Improvement Agency	East Valley Resource Conservation District
City of Blythe*#	City of El Segundo*@
· Blythe Financing Authority#	City of Escondido*@
· Blythe Redevelopment Agency	· Escondido Community Development Commission
City of Capitola@	City of Galt@
· Capitola Redevelopment Agency	· Galt Redevelopment Agency
City of Chino*	City of Grand Terrace*
· Chino Redevelopment Agency	· Grand Terrace Redevelopment Agency
City of Coachella*	City of Hemet*@
· Coachella Fire Protection District	· Hemet Redevelopment Agency
· Coachella Redevelopment Agency	City of Highland
Coachella Sanitary District	City of Indian Wells
Coachella Valley Association of Governments	· Indian Wells Redevelopment Agency
Coachella Valley Joint	City of Indio*
Powers Insurance Authority	· Indio Civic Center Authority
Coachella Valley Mosquito and Vector Control District	· Indio Public Financing Authority
Coachella Valley Public Cemetery District	· Indio Redevelopment Agency
Coachella Valley Recreation and Park District	City of King City*
Coachella Valley Resource Conservation District	· King City Redevelopment Agency
Coachella Water Authority	City of Lake Elsinore*@
City of Colton*	· Lake Elsinore Public Financing Authority
· Colton Redevelopment Agency	· Lake Elsinore Recreation Authority
	· Lake Elsinore Redevelopment Agency
	· Lake Elsinore Transit System

## Governments (Cities and Component Units) (cont'd)

City of Loma Linda*	Riverside County Judicial District
· Loma Linda Redevelopment Agency	Riverside County Money Purchase Pension Plan
City of La Puente*@	Riverside County Regional Park & Open Spaces District
· La Puente Redevelopment Agency	Riverside County Sheriff's Department Asset Forfeiture Accounts
City of Moorpark*@	Riverside County Transportation Commission
· Moorpark Redevelopment Agency	· Riverside Parking Authority
City of Murrieta*@	· Riverside - San Bernardino Housing & Finance Agency
City of Needles*	Riverside Transit Agency*
· Needles Public Financing Authority	· Riverside Transit Fund
· Needles Redevelopment Agency	City of San Bernardino*
Newhall County Water District	San Bernardino Associated Governments
City of Norco	San Bernardino County-Chino Civic Center Authority
City of Ontario*	San Bernardino County-Needles Public Facilities Authority
· Ontario Industrial Development Authority	City of San Jacinto*
· Ontario Redevelopment Agency	· San Jacinto Redevelopment Agency
· Ontario Redevelopment Financing Authority	· San Jacinto Mountain Area Water Study Agency*
City of Palm Desert*	City of Santa Paula*@
· Palm Desert Redevelopment Agency	· Santa Paula Redevelopment Agency
Palm Springs Civic Center Authority	City of Santee*@
City of Perris*#@	· Santee Public Financing Authority
· Perris Housing Authority#	City of Shafter*@
· Perris Joint Powers Authority#	· Shafter Joint Powers Financing Authority
· Perris Public Financing Authority#	City of Solvang@
· Perris Redevelopment Agency	City of South El Monte*
· Perris Utility Authority#	City of Tehachapi*
Perris Community Economic Development Corp.#	Tehachapi-Cummings County Water District@
Perris Valley Cemetery District#	City of Twentynine Palms@
City of Rancho Mirage*@	Twentynine Palms Water District
· Rancho Mirage Redevelopment Agency	City of Wildomar@#
· Rancho Mirage Transit Fund	· Wildomar Cemetery District#
City of Riverside*@	· Wildomar Measure Z Fund#
· Riverside Redevelopment Agency	City of Yucaipa*
County of Riverside*	Town of Yucca Valley*@
· Riverside Civic Center Authority	Yucca Valley Community Center Authority
· Riverside County A.D.s 159 & 161	Yucca Valley Financing Authority
· Riverside County Asset Forfeiture Accounts	Yucca Valley Redevelopment Agency
· Riverside County C.F.D.s 88-8 & 87-1	
· Riverside County Desert Judicial District	
Riverside County Economic Development Agency (RDA & Successor to RDA) #	
Riverside County Flood Control & Water Conservation District@	
Riverside County Habitat Conservation Agency	

## Special Districts

Carpinteria Sanitary District#	OMNITRANS
Central Basin Municipal Water District*@	Otay Water District@#
Channel Islands Beach Community Services District#	Palo Verde Cemetery District
Citrus Pest Control District No. 2#	Palos Verdes Peninsula Transit Authority
Cove Communities Public Safety Commission	Palos Verde Valley Transit Agency
Elsinore Valley Municipal Water District*@	Pine Cove Water District
Encina Wastewater Authority@	Pinyon Pines County Water District
Fern Valley Water District#	Running Springs Water District
Goleta Sanitary District	Saticoy Sanitary District
Home Gardens Sanitary District	South Orange County Wastewater Authority
Idyllwild Water District	Southern Coachella Valley Community Services District#
Inland Empire West Resource Conservation District*	Sunline Transit Agency*
Jacqueline Cochrane Regional Airport Authority#	Thermal Sanitary District
Lee Lake Water District	Triunfo Sanitation District@
Mammoth Community Water District#	Valley Sanitary District
March Joint Powers Authority*#	Van Horn Regional Treatment Facility
· March Inland Port Airport Authority#	Ventura Regional Sanitation District@
· March Joint Powers – Caretaker	Victor Valley Economic Development Authority
· March Joint Powers Redevelopment Agency	Victor Valley Wastewater Reclamation Authority*
· March Joint Powers Utility Authority#	Water Facilities Authority#
Mojave Desert and Mountain Integrated Waste Management Authority	Water Replenishment District of SoCal
	West Valley Vector Control District
	Western Municipal Water District
	Yuima Municipal Water District#@



## Nonprofit Agencies

Arrowhead Lake Association	Perris Economic Development Corp.#
Blindness Support Services, Inc.	Ontario Convention Center Corporation
California Council on Science and Technology#	Riverside Art Museum
California Family Life Center	Riverside Cemetery Association
California Missions Foundation	Riverside Chapter of Juvenile Diabetes Foundation
California-Nevada Electrical JATC#	International
California Riverside Ballet	Riverside Community Access Center
Child Abuse Prevention Center	Riverside County Bar Association
The Children's Center of Riverside	Riverside County Economic Development
Community Connect	Corporation
Fair Housing Council of Riverside County, Inc.*	Riverside County Farm Bureau
Fox Riverside Theater Foundation#	Riverside Elks Club
Gage Canal Company	Riverside Hospice
HCSC Foundation	Riverside Housing Development Corporation
HomeAid Inland Empire#	San Bernardino Sexual Assault Services
Inland Empire Economic Partnership	San Geronio Child Care Consortium
Jurupa Mountains Cultural Association	San Geronio Girl Scout Association
Local Laborers Union 1184	Salem Christian Homes Inc.#
MFI Recovery Center	Santa Ana Watershed Association
Mt. San Antonio Council Camp Fire, Inc.	SmartRiverside#
March Field Museum Foundation, Inc.	Young Men's Christian Association of Riverside
Meeks and Daley Water Company	City and County
National Council of Negro Women, Inc.-Bethune	Young Women's Christian Association of
Nuevo Water Company#	Riverside County
Olive Crest Treatment Centers, Inc.	

\* - Single Audit Procedures Performed (in accordance with OMB Circular A-133)

# - Current Clients

@ - Participated in CSMFO and/or GFOA award programs

The following are five audit client references for which similar services have been provided:

**Client:**

City of Perris

**Total Hours:**

Approx. 1,135/year

**Annual Budget:**

\$123,063,608

**Contact:**

Jennifer Erwin, Finance Director

City of Perris

(951) 943-2906

101 North D Street

Perris, California 92570

Website: <http://www.cityofperris.org>**Description of Agency and Services:**

The City of Perris incorporated in 1911 as a General Law City and provides the following services: general administrative services, public safety (police and fire), highways and streets, culture-recreation, community development (planning, building, zoning), water, sewer and sanitation. Our firm conducted the annual audit of the City of Perris for the years ended June 30, 1998 through 2017 (including Single Audit in each of those years except 2005, 2006 & 2007), and provided assistance with the State Controller's Report preparation, Street Report preparation, implementation of GASB 34, conversion to a full CAFR format, assistance in obtaining the GFOA and CSMFO awards of excellence in financial reporting and other areas as requested by the City.

We have audited the Perris Public Financing Authority, Perris Joint Powers Authority, Perris Housing Authority, and Perris Utility Authority, and Successor Agency. Our services included preparation of the Annual Report of Financial Transactions to the State Controller (State Controller's Report), as applicable.

**Client:**

Otay Water District

**Total Hours:**

Approx. 400/year

**Annual Budget (Exp):**

\$82,910,700

**Contact:**

Kevin Keoppen, Accounting Manager

Otay Water District

(619) 670-2222

2554 Sweetwater Springs Blvd

Spring Valley, CA 91978

Website: <http://www.otaywater.gov>**Description of Agency and Services:**

The Otay Water District was established in 1956 for the purpose of providing water and sewer services to the properties in the San Diego County area, serving approximately 50,000 customers. Our firm conducted the annual audit of the District for the years ended June 30, 2004 to 2008, and returning for fiscal years ended June 30, 2014 and June 30, 2017. Our services also included assisting in preparing the State Controller's report and agreed-upon procedures engagement related to their investments policy.

**Client:**

City of Blythe

**Total Hours:**

Approx. 800/year

**Annual Budget (Exp):**

\$28,366,962

**Contact:**

Christa Elms, Interim Finance Director

City of Blythe

(760) 922-6161

235 N. Broadway

Blythe, CA 92225

Website: <http://cityofblythe.ca.gov>**Description of Agency and Services:**

The City of Blythe was incorporated in 1916 as a General Law City and provides the following services: public safety (police and fire), highways and streets, water, sanitation, health and social services, culture-recreation, public improvements, community development (planning, building, zoning) and general administrative services. Our firm conducted the audit for the years ended June 30, 1992 through 2017 (including Single Audits in several years). Our services included assistance with Appropriations Limit Calculations, State Controller's Report preparation and assistance with GASB standards implementation and assistance.

The Blythe Redevelopment Agency consists of one project area and seven outstanding bond issues. We performed the audit of the Agency for the years ended June 30, 1992 through 2011. Our services included preparation of the Statement of Indebtedness and Annual Report of Financial Transactions to the State Controller. We audited the successor agency as part of the City upon dissolution of the RDA in January 2012 and through June 30, 2017.

We performed the audit of the Blythe Financing Authority for the years ended June 30, 1998 (Inception May 1998) through 2017. Our services included the preparation of the State Controller's report.



**Client:**  
City of Shafter

**Total Hours:**  
Approx. 400/year

**Annual Budget (Exp):**  
\$34,436,671

**Contact:**  
James Zervis, Administrative Services  
Director  
City of Shafter  
(661) 746-012  
336 Pacific Avenue  
Shafter, CA 93263  
Website: <http://www.shafter.com>

### Description of Agency and Services:

The City of Shafter was incorporated in 1915 as a General Law City and provides the following services: public safety (police and fire), highways and streets, water, sanitation, health and social services, culture-recreation, public improvements, community development (planning, building, zoning) and general administrative services. Our firm conducted the audit for the years ended June 30, 2008 through June 30, 2010 and returning for fiscal years ended June 30, 2014 and June 30, 2016 (including Single Audits in several years). Our services included assistance with Appropriations Limit Calculations, and assistance with various GASB Standards implementation and assistance.

The Shafter Community Development Authority consists of one project area and three outstanding bond issues. We audited the successor agency as part of the City from June 30, 2014 to June 30, 2016.



**Client:**  
City of Eastvale

**Total Hours:**  
Approx. 250/year

**Annual Budget (Exp):**  
\$24,318,331

**Contact:**  
James Riley, Interim Finance Director  
City of Eastvale  
(951) 361-0900  
12363 Limonite Avenue, Suite 910  
Eastvale, CA 91752  
Website: <http://www.eastvaleca.gov>

### Description of Agency and Services:

The City of Eastvale was incorporated in 2010 as a General Law City and provides the following services: public safety (police and fire), public services, community development, and general administrative services. Our firm conducted the audit for the years ended June 30, 2011 through 2017. Our services included assistance with Appropriations Limit Calculations, and assistance with GASB standards implementation and assistance.

## Single Audits (in accordance with Uniform Guidance)

As indicated in the above list of clients, our firm performs single audits in accordance with OMB Circular A-133 and Uniform Guidance for several clients each year. In addition to the above list, our firm has performed single audits for numerous other clients, involving many different federal programs. The Partners of the firm have combined experience with the City's audits has 30 years of experience performing single audits.

## GFOA Award Program for Financial Statements

We prepare the financial statements and disclosures for most of our clients that have received the GFOA award. All of our governmental partners, managers and seniors have been closely involved in the preparation of these reports.

Our firm has been providing assistance to California governments in obtaining the GFOA and/or CSMFO awards for financial reporting for many years. We have helped various governments obtain the awards for the first time, and in addressing comments from previous years. To date, all of our clients' attempts to obtain these awards have been successful.

## Scope of Services

The scope of our services will be to perform audits of the City and applicable component units in accordance with generally accepted auditing standards; the A.I.C.P.A. industry audit guide, Audits of State and Local Governmental Units, as amended; the Government Finance Officers Publication, Governmental Accounting, Auditing and Financial Reporting, as amended; the standards for financial audits contained in the U.S. General Accounting Office publication Government Auditing Standards, the Single Audit Act, as amended, and the Office of Management and Budget provisions of Uniform Guidance (previously under Circular A-133) for Single Audits, applicable State Audit Guides, as applicable to the issuance of the reports listed in the RFP.

We will perform agreed-upon procedures to the City's Appropriations Limit Annual Review Compliance Letters in order to assist the City meeting the requirements of Section 1.5 Article XIIIB of the California Constitution.

In addition, we will advise you in the preparation of the CAFR to support you in receiving the Government Finance Officers' Association's (GFOA) Certificate of Achievement of Excellence in Financial Reporting.



## Audit Approach

The engagement partner is a working partner and will be involved in much of the audit. He will assume overall responsibility for services provided to the City and its component units. He will also serve as a technical consultant to the Finance Department. He will provide overall guidance to the audit staff. The engagement partner will be responsible for the primary portion of the field audit, including preparation of all audit reports. He will supervise staff assigned to the engagement. The manager and staff accountants will perform audit field work under the supervision of the engagement partner. Our budgeted hours include higher partner involvement than what you may have experienced previously.

Our past experience, relating to our approach to the audits, has indicated that the most important service that can be rendered to clients is to be available at all times during the year. This approach allows the clients the opportunity to consult with the auditors about technical problems and alternative approaches to accounting issues that arise during the year.

### Risk Assessment & Internal Controls

We take a customized approach to each and every audit. We will apply the recently adopted “Risk Assessment” audit standards to your audits. An overriding objective throughout the planning process is the identification of risks that should be assessed as to whether they could result in material misstatement of the financial statements. We perform risk assessment procedures to provide a satisfactory basis for the assessment of risks at the financial statement and relevant assertion levels.

Obtaining an in-depth understanding of the entity and its environment, including its internal control, is an essential aspect of the consideration of risk. We use a variety of risk assessment procedures when obtaining this understanding, including observation and inspection (walkthroughs), inquiries of management and others, discussions amongst the engagement team, and preliminary analytical procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to prevent and detect misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to Government Auditing Standards. Some aspects of the risk assessment procedures can only be determined after information is gathered about the entity and its environment; and therefore, we tailor our procedures in response to the information gathered. The results of our risk assessment determine of the nature, timing, and extent of further audit procedures to be performed in response to those risks.

As required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards* (Uniform Guidance), we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope that would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control pursuant to the Uniform Guidance.

Our sampling methods are designed to provide the most coverage possible without expending excess time where it is impractical. We also concentrate efforts towards those areas known to be susceptible to error. Sample sizes will depend upon our preliminary assessment of control risk and the extent of our planned substantive tests and analytical procedures.

### Fieldwork

Shortly after our appointment as auditors, we will schedule a preaudit planning meeting during which we will discuss any special concerns, needs and the timing of the audit with appropriate members of the City's staff. We will also schedule audit progress meetings and an exit conference with the appropriate City staff during our engagement to discuss any findings and issues we encountered during the audit. All of our recommendations will be discussed with appropriate personnel in a timely manner. Drafts of all financial reports and management letters will be submitted prior to the issuance of final reports.

We are aware of the amount of additional work and inconvenience the annual audit brings to the City's staff. However, we feel our service approach and the experience level of the Partner and staff assigned to your audit will eliminate many of the common problems experienced during an audit, such as, recommendations made without a thorough understanding of the feasibility of the recommendation, "year-end surprises;" new and inexperienced audit staff each year, without adequate supervision.

The fieldwork will normally be coordinated with City staff and begin as soon as the City's books and records are in auditable form. This normally takes place in two stages. Each year we will update our knowledge of your major internal accounting control systems and test such systems (risk assessment). At the same time, City staff will be interviewed in order to assist in resolving any shortcomings before performing the field work portion of the audit. This generally is completed prior to year-end and often leads to worthwhile suggestions for improving internal controls as well as the efficiency and effectiveness of accounting operations and procedures. All of our recommendations will be discussed with appropriate City personnel in a timely manner, and if appropriate, in a formal written management letter at the conclusion of the audit. In addition, we will complete as much of the single audit compliance, if applicable, in this stage of the audit. We will review the minutes of the City Council meetings throughout the audit process.

Our audit will include consideration of the City's internal controls and therefore, as part of our financial and compliance audit, we will also issue a report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statement Performed in Accordance with Government Auditing Standards. This letter will include significant deficiencies and material weaknesses identified during our audit procedures, if any. We will either include in the Single Audit Report or issued separately.

We use models based on statistical sampling theories to help determine sample sizes using nonstatistical sampling methods as necessary for our substantive tests of balances and transactions, tests of controls and tests of compliance. The objective of tests of compliance is to determine whether an organization has complied with laws and regulations that may have a material effect on each major program.

Analytical procedures will be performed in the planning stage of the audit (risk assessment process) and in our substantive testing, based on the results of our risk assessment. These procedures will include comparing account balances to the prior year and to the current period's budget, and consideration of expected relationships among the accounts and periods. Analytical procedures will also be performed in the overall review stage of the audit.

Our audit approach recognizes the importance of laws and regulations in planning the audit of a local governmental entity. As a part of the audit, our firm obtains an understanding of those laws and regulations that have a direct and material effect on the determination of financial statement amounts.

Our firm uses a governmental audit program which will be modified to the City's operations to accommodate specific client circumstances. Our audit programs are organized by financial statement approach and other general audit procedures. The requirements by the Standards for assessing risk are utilized to modify the audit programs to focus on the higher risk areas of the financial statements.

We then design the audit to provide reasonable assurance of detecting material instances of noncompliance. We obtain our understanding of applicable laws and regulations by becoming familiar with the following:

- The terms and provisions of grant agreements and contracts.
- State and federal restrictions affecting funding received by the City; i.e., gas tax law, etc.
- The Municipal Code of the City.
- State laws regarding authorized investments, spending limits, debt limits, etc.
- City policies regarding investments, purchasing, budgets, and the establishment of funds.
- Bond covenants of outstanding issues.
- Personnel Policies adopted by the City.
- Other laws and regulations as appropriate in the circumstances.

Our review of the internal control will be by questionnaire and procedural write-up of your accounting system. Each of the approaches requires inquiry and observation of City personnel and operations. We will also utilize the City's budget, organizational charts, financial reports, policies and procedures, and other applicable documents. Comments and recommendations relating to the accounting system will be discussed with appropriate City personnel and where appropriate they may be included in our reports. Our recommendations will be directed at safeguarding City assets, improving the effectiveness of City procedures, and improving the reporting of financial information, as applicable.

The second stage of the audit is primarily concerned with auditing the final numbers and disclosures that will appear in the City's financial statements and will begin as soon as the City's books and records are ready for audit. Drafts of all financial reports and management letters will be submitted prior to the issuance of final reports. We have a proven track record of delivering reports on time. Each year we will initiate an exit conference to discuss any suggestions, which either of us may have for improving the conduct of the annual audit process, management letters, or any other matters of interest. Throughout the year we are always available for meetings or discussions in order to meet your needs. Findings and reports shall be kept confidential and reported only to the City.

In the event that any irregularity in records indicates the City may have suffered or will suffer a monetary loss, we will report such loss to the appropriate City personnel immediately upon discovery in the form of a written report.

Responses to City notifications will be prompt and all reports will be remitted in a timely manner to meet your needs. We make it a practice to be proactive in providing guidance and assistance to our audit clients throughout each fiscal year to ensure proper and timely implementation of new and significant accounting pronouncements, and also with laws and regulations.

Generally accepted accounting principles provides for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A) to accompany the City's basic financial statements. As part of our engagement, we will apply certain limited procedures to the City's RSI consisting principally of inquiries of management regarding the methods of measurement and presentation.

Supplementary information other than RSI, also accompanies the City's basic financial statements. We will subject certain supplementary information to auditing procedures applied in our audit, which we will provide an opinion in relation to the basic financial statements. The CAFR will also include introductory and statistical sections prepared by the City that will not be subject to the auditing procedures applied in our audit, and for which our auditor's report will disclaim an opinion.

We take a proactive approach in helping our clients understand GASB activities from exposure drafts to implementation of new standards. We accomplish this through our collaborations with GASB, GFOA, AICPA Government Audit Quality Center, and more importantly by taking the time to communicate with our clients and discuss and plan for the impact of new GASB standards.

### **Single Audit Approach**

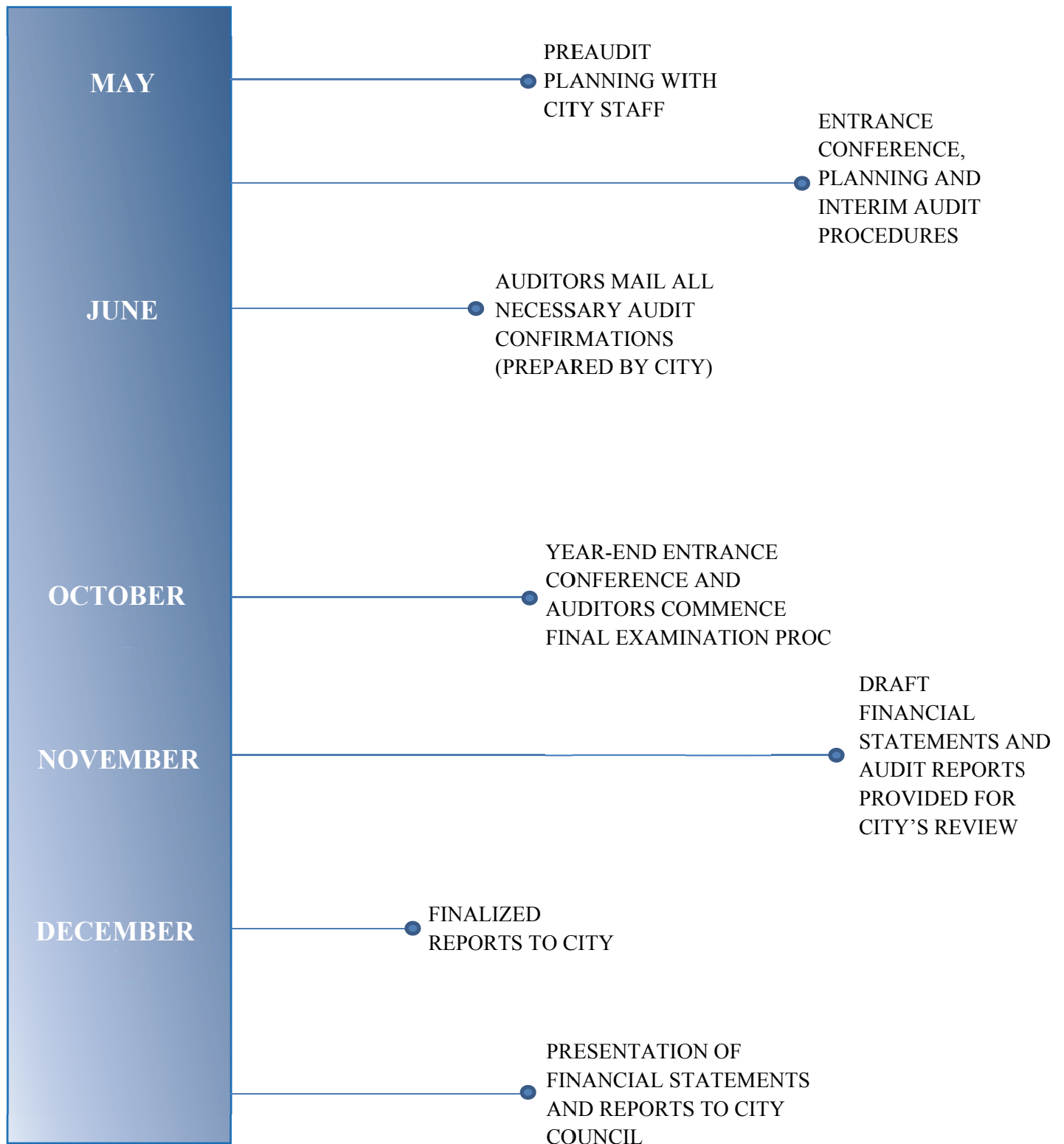
The Single Audit will be performed in accordance with all the requirements of the Single Audit Act, the Uniform Guidance and Government Auditing Standards issued by the GAO (ie. Yellow Book) for agencies that expended greater than \$750,000 in federal awards.

- We will identify the Major and Nonmajor Federal Program of the City through the risk-based approach required by the Uniform Guidance. This approach includes consideration of current and prior audit experience, oversight by Federal agencies and pass-through entities, and the inherent risk of the federal program.
- We will perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with applicable compliance requirements. If weaknesses in the internal controls are noted, we will modify our audit program as needed.
- Our audit will include tests of transactions related to major federal award programs for compliance with applicable compliance requirements and certain provisions of laws, regulations contracts and grant agreements.
- Our procedures will consist of the application procedures described in the Uniform Guidance for the types of compliance requirements that could have a direct and material effect on each of the City's major programs. The purpose of those procedures will be to express an opinion on the City's compliance with requirements applicable to major program in our report on compliance issued pursuant to the Uniform Guidance.
- We will assist the City in completing and filing the Data Collection Form.



## Audit Timing

The following represents the proposed segmentation of the audit:



Description	Level of Staff	Estimated Hours
Preaudit planning with City staff.	Partner	3
Entrance conferences and auditors perform interim audit procedures.	Partners, Senior, Staff	135
City Staff provides trial balances and supporting schedules for audit. Auditors commence final examination procedures.	Partner, Manager, Staff	205
Exit conference where auditors propose AJE's and discuss internal control and compliance findings from the audit, as applicable.	Partners	2
Auditors and City staff prepare and review draft financial statements and reports, (including single audit and management letter) and complete file reviews.	Partner, Manager, Staff	50
All reports are finalized and submitted.	Partner, Manager	5

It is anticipated that the City's audit will take approximately 1 week (5 workdays) for the interim phase of the audit and approximately 3 weeks (12 workdays) for the year-end phase of the audit. We shall adhere to the City's timetable provided that all necessary work is performed with the responsible parties.

Assistance expected from City staff will include providing us with documents and information included in our comprehensive request list provided at the start of the audit process, answering operational and procedural type questions, and preparing confirmation letters and covering related costs of necessary confirmations as part of the audit.

We agree the City may broaden the scope of our engagement and we agree to hold ourselves available to perform such additional work as the City may desire and as independence standards allow. Progress billings, covering a period not less than a calendar month, will be submitted. A final billing will be submitted upon delivery of all required reports. No billings will be made for out-of-pocket expenses or any other expenses such as typing, clerical, printing or travel costs.

## Audit Technology Capabilities

The audit team uses technology to make the audit process more efficient and operate in a paperless environment. Our use of technology in the audit process benefits you in the following ways:

- Promotes efficiency and allows for easy documentation, exchange and review of information designed for the unique aspects of the City including planning forms, audit programs and procedures.
- Receive the City's schedule in electronic format.
- Import trial balance data from any excel document to create custom schedules to identify significant fluctuations between fiscal years.
- CAFR schedules are linked to trial balances. CAFR is updated automatically for any last minute journal entries or changes, if any.

The firm also utilizes a document management software which allows clients to access our secure online portal to transfer and access data file that are confidential or too large to be sent by email.

## Identification of Anticipated Potential Audit Problems

We do not anticipate any significant audit problems for this engagement, other than the extra work normally required for a first-year audit in obtaining applicable documents and information. We will provide a detailed request list early in the audit process to ensure the audit progresses in a timely manner. Should any other issues arise, we will discuss them with appropriate City staff at that time.

## Insurance

Insurance certificates and insurance documents will be provided upon direct request in the final evaluation process. The Firm possesses sufficient insurance coverage based on comparable audit service engagements.

## **APPENDIX A: PEER REVIEW REPORT**



2511 Garden Road  
Suite A180  
Monterey, CA 93904  
831-373-3337  
Fax 831-373-3437

379 West Market Street  
Salinas, CA 93901  
831-424-2737  
Fax 831-424-7936

3478 Buskirk Avenue  
Suite A1000  
Pleasant Hill, CA 94523  
831-373-3337  
Fax 831-373-3437

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

October 16, 2017

To the Partners of Teaman, Ramirez & Smith, Inc.  
and the Peer Review Committee of the California Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Teaman, Ramirez & Smith, Inc. (the firm) in effect for the year ended May 31, 2017. 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 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 a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with 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 the system of quality control and the firm's compliance therewith based on our review.

### **Required Selections and Considerations**

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act.

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 Teaman, Ramirez & Smith, Inc. in effect for the year ended May 31, 2017, 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*. Teaman, Ramirez & Smith, Inc. has received a peer review rating of *pass*.

A handwritten signature in black ink that reads "McGilloway, Ray, Brown & Kaufman". The signature is written in a cursive, flowing style.

McGilloway, Ray, Brown & Kaufman

## **APPENDIX B:**

## **AUDIT TEAM RESUMES**





**JOSHUA J. CALHOUN, CPA**  
ENGAGEMENT PARTNER

## Achievements

Joshua Calhoun has over eight years of experience auditing governments in California. He is a member of the American Institute of Certified Public Accountants, the California Society of Certified Public Accountants (CalCPA), and the California Society of Municipal Finance Officers (CSMFO). Mr. Calhoun is also an instructor for our in-house continuing education programs.

## License and Education

Mr. Calhoun received his Bachelor of Science Degree in Business Administration with a concentration in Accounting and minor in Finance from California State University, San Bernardino. He is currently licensed to practice as a Certified Public Accountant (CPA) in California.

Mr. Calhoun has for the calendar year ending, as of December 31, 2017, 115 hours of CPE with over 30 hours in governmental training. Included in this training were the GFOA Annual Governmental GAAP Update, Accounting and Auditing, Audit Risk Assessment Standards, and American Institute of Certified Public Accountant courses. As of December 31, 2016, 112 hours of CPE with 60 hours in governmental training, and as of December 31, 2015, 70 hours of CPE with 18 hours in governmental training.

## Experience

Mr. Calhoun's governmental auditing experience includes the following cities, redevelopment agencies and special districts:

### Governmental Clients

City of Blythe*	Jacqueline Cochrane Regional Airport Auth.
Blythe Public Financing Authority	City of Eastvale
Blythe Redevelopment Agency	Fern Valley Water District
Carpinteria Sanitary District	City of Lake Elsinore*
Channel Islands Beach Community	Lake Elsinore Public Financing Authority
Service District	Lake Elsinore Recreation Authority
Citrus Pest Control District No. 2	March Joint Powers Authority

### Governmental Clients

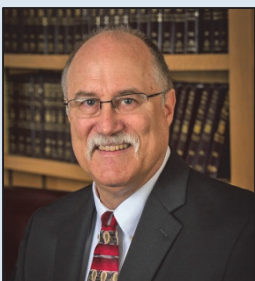
March Joint Powers Redevelopment Agency	Shafter Joint Powers Financing Authority
March Joint Powers Utility Authority	Shafter TDA
March Inland Port Airport Authority*	Southern Coachella Valley Community Services District
Mammoth Community Water District	City of Twentynine Palms
Otay Water District	Twentynine Palms Redevelopment Agency
City of Perris*	Water Facilities Authority
Perris Valley Cemetery District	City of Wildomar
Perris Redevelopment Agency	Wildomar Cemetery District
Perris Public Financing Authority	Wildomar Measure Z
Perris Utility Authority	Yuima Municipal Water District
Riverside County Redevelopment Agency	
City of Shafter*	
Shafter Community Dev. Agency	

### Nonprofit Agencies

California Council on Science and Technology#	Nuevo Water Company#
Fair Housing Council of Riverside Co, Inc.*	Salem Christian Homes Inc.#
Fox Riverside Theater Foundation#	SmartRiverside#
HomeAid Inland Empire#	

\* = Single Audit Procedures performed

More detailed information can be provided upon request.



**RICHARD A. TEAMAN, CPA, CGFM, CGMA**  
AUDIT PARTNER

## Achievements

Rich Teaman has thirty-three years' experience auditing California organizations. He is a member of the American Institute of Certified Public Accountants, the Association of Government Accountants, the California Society of Municipal Finance Officers, the California Society of Certified Public Accountants (CSCPA), California Special Districts Association, the Government Finance Officers Association, the Association of Certified Fraud Examiners and was the chairman of the Governmental Accounting and Auditing Committee of the Citrus Belt Chapter (now the Inland Empire Chapter) of the California Society of Certified Public Accountants from 1991 to April 1997. He was the chairman of the Governmental Accounting and Auditing committee of the California Society of Certified Public Accountants at the state level from 2004 to 2006. He was the Co-Chairman of the California Committee on Municipal Accounting (a joint committee of representatives of the League of California Cities and the California Society of Certified Public Accountants) from 2006 to 2009. He was part of a five-person final review board that evaluated financial statements under the California Award Program of the Professional and Technical Standards Committee of CSMFO and, as such, was responsible for the revision of the reviewer's checklist from 1993 to 1996. He was also the President for the Citrus Belt Chapter of the California Society of Certified Public Accountant for the 1999-00 fiscal year, Vice President during the 1997-98 and 1998-99 fiscal years, Treasurer during the 1996-97 fiscal year and Board Member during the 1995-96 fiscal year. Mr. Teaman is also an instructor for our in-house continuing education program and has been an instructor for the California Society of Certified Public Accountants.

## License and Education

Mr. Teaman received his Bachelor of Science Degree in Business Administration with a concentration in Accounting from California State University, San Bernardino. He is currently licensed to practice as a CPA in California.

Mr. Teaman has for the licensing period (licenses are renewed every two years) beginning September 1, 2016, 206 hours of continuing professional education (CPE) with 52 hours in government training. Included in this training were, the GFOA's 21<sup>st</sup> and 22<sup>nd</sup> Annual GAAP Update, AICPA Classes titled; 2017 Government Audit Quality Center Update and Single Audits; New Insights on Factors Driving Quality, Thomson Reuters classes titled: A Close Look at GASB Statements No. 69 and 70, Advanced

Topics in Financial Statement Preparation, Auditor's Reports Audit Quality, Internal Controls for Nonprofits and Single Audit Sampling Considerations, and California Society of Certified Public Accountants classes, Accounting and Auditing Update, SSARS 21: Newly Effective Preparation, Compilation and Review Standards, Other Comprehensive Basis of Accounting Fundamentals, Fraud: Practical Approaches to Prevention and Detection, Governmental and Nonprofit Annual Update, Frequent Frauds Found in Governments and Nonprofits, Documentation Requirements, Design and Reviewing Techniques of Workpapers and Avoiding Problems in Conducting Single Audits.

Mr. Teaman had for the licensing period beginning September 1, 2014, 225 hours of continuing professional education (CPE) with 60 hours in government training. Included in this training were, the GFOA's 19th and 20th Annual Governmental GAAP Update, GOFA'S 109th Annual Conference in Philadelphia, the AICPA's Governmental Accounting and Auditing Update Conference, and California Society of Certified Public Accountants classes, Accounting and Auditing Update, Audits of 401K Plans, Key Ratio Analysis, FASB and AICPA Update, Disclosure: The Key to Financial Statements, Financial Statement, Tax and Government Fraud, the new Group Audit Standard, Governmental Accounting and Auditing Conference and GAAP Update.

## Experience

Mr. Teaman's governmental auditing experience includes the following cities, redevelopment agencies and special districts:

### Governmental Clients

City of Adelanto	City of Needles*
Adelanto Public Utility Authority	Needles Public Financing Authority
City of Banning*	Needles Redevelopment Agency
Banning Redevelopment Agency	City of Ontario*
City of Big Bear Lake*	Ontario Redevelopment Agency
Big Bear Lake Fire Protection District	Ontario Redevelopment Financing Authority
Big Bear Lake Improvement Agency	Otay Water District
City of Blythe	City of Palm Desert*
Blythe Public Finance Authority	Palm Desert Redevelopment Agency
Blythe Redevelopment Agency	Palm Springs Civic Center Authority
Carpinteria Sanitary District	Palo Verde Cemetery District
Channel Islands Beach Community Services District	Palos Verdes Peninsula Transit Authority
Citrus Pest Control District	City of Perris*
City of Coachella*	Perris Community Economic Development Corporation
Coachella Fire Protection District	Perris Housing Authority
Coachella Redevelopment Agency	Perris Joint Powers Authority
Coachella Sanitary District	Perris Public Financing Authority
Coachella Water Authority	

## Governmental Clients

Coachella Valley Association of Governments	Perris Redevelopment Agency
Coachella Valley Joint Powers Insurance Authority	Perris Utility Authority
Coachella Valley Mosquito Abatement District	Perris Valley Cemetery District
Coachella Valley Mosquito and Vector Control District	Pine Cove Water District
Coachella Valley Public Cemetery District	City of Rancho Mirage*
Coachella Valley Recreation and Park District*	Rancho Mirage Parkview Villas
City of Colton*	Rancho Mirage Redevelopment Agency
Colton Redevelopment Agency	Retired Senior Volunteer Program
City of Corona*	City of Riverside*
Corona Redevelopment Agency	Riverside Civic Center Authority
City of Dana Point	Riverside County Desert Judicial District
Desert Resorts Regional Airport Authority	Riverside County Flood Control & Water Conservation District
City of Diamond Bar	Riverside County Redevelopment Agency
City of Eastvale	Riverside County Judicial District
East Valley Resource Conservation District	Riverside County Redevelopment Agency
City of El Sugundo	Riverside County Judicial District
Elsinore Valley Municipal Water District	Riverside County Regional Park & Open Space District
City of Escondido	Riverside County Transportation Commission
Escondido Community Development Commission	Riverside Parking Authority
Fern Valley Water District	Riverside-San Bernardino Housing & Finance Agency
City of Galt	Riverside Transit Agency*
Galt Redevelopment Agency	City of San Bernardino*
Goleta Sanitary District	San Bernardino County Chino Civic Center Authority
City of Grand Terrace	San Bernardino Associated Governments
Grand Terrace Redevelopment Agency	City of San Jacinto*
City of Hemet*	San Jacinto Redevelopment Agency
Hemet Redevelopment Agency	San Jacinto Mountain Area Water Study Agency*
Home Gardens Sanitary District	City of Santee
Idyllwild Water District	Santee Public Financing Authority
City of Indian Wells	City of Shafter
Indian Wells Redevelopment Agency	Shafter Joint Powers Financing Authority
City of Indio	Shafter TDA
Indio Civic Center Authority	City of Solvang
Indio Redevelopment Agency	Southern Coachella Valley Community Services District
	Successor Agency to Riverside County Redevelopment Agency

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### Governmental Clients

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Jacqueline Cochran Regional Airport Authority	Sunline Transit Agency *
City of Lake Elsinore*	Twentynine Palms Water District
Lake Elsinore Redevelopment Agency	Valley Sanitary District
Lake Elsinore Public Financing Authority	Ventura Regional Sanitation District
Lake Elsinore Recreation Authority	Victor Valley Wastewater Reclamation Authority
City of Loma Linda*	Water Facilities Authority
Loma Linda Redevelopment	Western Municipal Water District
Mammoth Community Water District	City of Wildomar
March Inland Port Airport Authority	Wildomar Cemetery District
March Joint Powers Authority	Wildomar Measure Z Fund
March Joint Powers – Caretaker	Town of Yucca Valley
March Joint Powers – RDA	Yucca Valley Community Center Authority
March Joint Powers Utility Authority	Yucca Valley Financing Authority

\* = Single Audit Procedures performed

More detailed information can be provided upon request.



**RICHARD A. GALLO, JR.**  
MANAGER

## Achievements

Mr. Gallo has sixteen years of experience auditing California governmental agencies. Mr. Gallo also serves as an instructor for our in-house continuing education program.

## Education

Mr. Gallo received his Bachelor of Science Degree in Business Administration, with a concentration in accounting, from the University of California, Riverside.

Mr. Gallo has for the calendar year ending, as of December 31, 2016, 51 hours of CPE with 12 hours in governmental training, as of December 31, 2016, 60 hours of CPE with 18.5 hours in governmental training, and as of December 31, 2015, 20 hours of CPE with 12 hours in governmental training.

## Experience

Mr. Gallo's governmental auditing experience includes the following cities, redevelopment agencies and special districts:

### Governmental Clients

City of Adelanto	Lake Elsinore Public Financing Authority
Adelanto Public Utility Authority	Lake Elsinore Recreation Authority
Apple Valley, Town of*	Lake Elsinore RDA
City of Blythe*	Mammoth Community Water District
Blythe Public Financing Authority	March Joint Powers Authority*
Blythe Redevelopment Agency	March Inland Port Airport Authority
Channel Islands Beach	March Joint Powers Caretaker
Community Services District	March Joint Powers RDA
Chino Civic Center Authority	March Joint Powers Utility Authority
Citrus Pest Control District No. 2	Otay Water District*
Coachella Valley Public Cemetery District	Palo Verde Cemetery District
City of Eastvale	City of Perris*
Elsinore Valley Municipal Water District	Perris Community Economic Development Corporation
Fern Valley Water District	Perris Housing Authority
Goleta Sanitary District	



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### Governmental Clients

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City of Lake Elsinore\*  
Perris Redevelopment Agency  
Perris Public Financing Authority  
Perris Utility Authority  
Perris Valley Cemetery District  
Pine Cove Water District  
Riverside Civic Center Authority  
Riverside City Hall Authority  
Riverside County Economic  
Development Agency  
Riverside County Flood &  
Water Conservation District  
Riverside County Open Space  
and Park District  
San Bernardino County Library  
San Jacinto Mountain Area  
Water Study Agency  
City of Santee

Perris Joint Powers Authority  
Santee Public Financing Authority  
City of Shafter\*  
Shafter Community Development Agency  
Shafter Joint Powers Financing Authority  
City of Solvang  
Southern Coachella Valley  
Community Services District  
Successor Agency to the Riverside  
County Redevelopment Agency  
City of Twentynine Palms\*  
Twentynine Palms Redevelopment  
Agency  
Twentynine Palms Water District  
Valley Sanitary District  
City of Wildomar  
Yuima Municipal Water District

\* = Single Audit Procedures performed

More detailed information can be provided upon request.



**DANIEL RIVERA**  
SENIOR ACCOUNTANT

## Achievements

Mr. Daniel Rivera has over three years of experience auditing California governmental agencies. He is a member of the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants (CalCPA).

## Education

Mr. Rivera received his Bachelor of Arts Degree from California State University, San Bernardino, California. He is actively pursuing the CPA exam.

Mr. Rivera has for the calendar year ending, as of December 31, 2017, 41 hours of CPE with over 17 hours in governmental training. Included in this training were the GFOA Annual Governmental GAAP Update, Accounting and Auditing, Audit Risk Assessment Standards, and American Institute of Certified Public Accountant courses. As of December 31, 2016, Mr. Rivera had 56 hours of CPE with 15 hours in governmental training. As of December 31, 2015, Mr. Rivera had 45 hours of CPE with 28 hours in governmental training.

## Experience

Mr. Rivera's governmental auditing experience includes several cities and special districts:

### Governmental Clients

City of Blythe*	March Joint Powers Utility Authority
Blythe Public Financing Authority	March Inland Port Airport Authority*
Carpinteria Sanitary District No. 2	Mammoth Community Water District
Citrus Pest Control District	Otay Water District
Jacqueline Cochrane Regional Airport Authority	Perris Valley Cemetery District
City of Eastvale	City of Shafter*
Fern Valley Water District	Shafter Joint Powers Financing Authority
City of Lake Elsinore*	Shafter TDA
Lake Elsinore Public Financing Authority	Southern Coachella Valley Community Services District
Lake Elsinore Recreation Authority	

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### Governmental Clients

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March Joint Powers Authority\*  
City of Wildomar  
Wildomar Cemetery District  
Wildomar Measure Z Fund

Water Facilities Authority

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### Nonprofit Agencies

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California Council on Science and  
Technology#  
Fair Housing Council of Riverside Co, Inc.\*  
Fox Riverside Theater Foundation#  
HomeAid Inland Empire#

Nuevo Water Company#  
Salem Christian Homes Inc.#  
SmartRiverside#

\* = Single Audit Procedures performed

More detailed information can be provided upon request.

## **APPENDIX C: SMALL BUSINESS CONCERNS INFORMATION**

### **Small Business Concerns Information**

The Proposer shall furnish the following information. Additional sheets may be attached, if necessary.

- 1) Name: Teaman, Ramirez & Smith, Inc.
- 2) Address: 4201 Brockton Avenue, Suite 100, Riverside, CA 92501
- 3) Phone No.: 951-274-9500 Fax No.: 951-274-7828
- 4) E-Mail: jcalhoun@trscpas.com
- 5) Type of Firm: (check all that apply)
 

<input type="checkbox"/> Individual	<input type="checkbox"/> Partnership	<input checked="" type="checkbox"/> Corporation
<input type="checkbox"/> Minority Business Enterprise (MBE)	<input type="checkbox"/> Women Business Enterprise (WBE)	
<input type="checkbox"/> Small Disadvantaged Business (SDB)	<input type="checkbox"/> Veteran Owned Business	
<input type="checkbox"/> Disabled Veteran Owned Business	<input type="checkbox"/> Other	
- 6) Business License: ☐ Yes ☒ No License Number: \_\_\_\_\_
- 7) Tax Identification Number: 95-3636462
- 8) Contractor's License: State: \_\_\_\_\_ License No.: COR 1823 Classification(s) Accountancy Corporation
- 9) Names and Titles of all members of the firm:
 

<u>Richard Teaman</u>	<u>Joshua Calhoun</u>
<u>David Ramirez</u>	<u>Bryan Daugherty</u>
<u>Javier Carrillo</u>	
- 10) Number of years as a contractor in construction work of the type: Audit Services for 80 years
- 11) Three (3) projects of this type recently completed:
 

Type of Project:	<u>Financial Statement and Compliance Audit</u>	
Contract Amount:	<u>\$33,250</u>	Date Completed: <u>12/22/2017</u>
Owner:	<u>City of Wildomar</u>	Phone: <u>951-677-7751</u>
Type of Project:	<u>Financial Statement and Compliance Audit</u>	
Contract Amount:	<u>\$68,300</u>	Date Completed: <u>12/29/2017</u>
Owner:	<u>City of Perris</u>	Phone: <u>951-943-2906</u>
Type of Project:	<u>Financial Statement and Compliance Audit</u>	
Contract Amount:	<u>\$20,550</u>	Date Completed: <u>12/22/2017</u>
Owner:	<u>City of Eastvale</u>	Phone: <u>951-361-0900</u>
- 12) Person who inspected the site of the proposed work for your firm:
 

Name: <u>McGilloway, Ray, Brown, Kaufman</u>	Date of Inspection: <u>10/16/2017</u>
--	---------------------------------------

**APPENDIX D:**

**DISCLOSURES REQUIRED BY PERSONS OR  
ENTITIES CONTRACTING WITH THE CITY  
OF RIALTO**

**CITY OF RIALTO  
REQUEST FOR PROPOSAL #18-080  
DISCLOSURES REQUIRED BY PERSONS OR ENTITIES  
CONTRACTING WITH THE CITY OF RIALTO**

Pursuant to Rialto Municipal Code Section 2.48.145, all persons or business entities supplying any goods or services to the City of Rialto shall disclose whether such person or entity is related to any officer or employee of the City by blood or marriage within the third degree which would subject such officer or employee to the prohibition of California Government Sections 87100 et. Seq., Fair Political Practices Commission Regulation Section 18702, or Government Code section 1090.

Pursuant to Rialto Municipal Code Section 2.48.145, all persons or business entities supplying any goods or services to the City of Rialto shall disclose whether such person or entity is related to any officer or employee of the City by blood or marriage within the third degree which would subject such officer or employee to the prohibition of California Government Sections 87100 et. Seq., Fair Political Practices Commission Regulation Section 18702, or Government Code Section 1090.

Vendor/Contractor/Consultant: Teaman, Ramirez & Smith, Inc.

City of Rialto Official /  
Employee Names(s)

The Nature of the Relationship with  
the Person Listed is

None

By: 

Name: Joshua Calhoun

Title: Partner



## **APPENDIX E:**

# **PROPOSER SIGNATURE DECLARATION**

**CITY OF RIALTO**  
**REQUEST FOR PROPOSAL #18-080**  
**PROPOSER SIGNATURE DECLARATION**

The undersigned hereby offers and agrees to furnish the goods and services in compliance with all the service level requirements, instructions, specifications, and any amendments contained in this RFP document and any written exceptions in the offer accepted by the City.

This proposal is genuine, and not sham or collusive, nor made in the interest or on behalf of any person not herein named; the Proposer has not directly or indirectly induced or solicited any other Proposer to put in a sham proposal, or any other person, firm or corporation to refrain from submitting a proposal; and the Proposer has not in any manner sought by collusion to secure for themselves an advantage over any other Proposer.

Each proposal must be signed on behalf of the Proposer by an officer authorized to bind the Proposer to the proposal. I declare under penalty of perjury under the laws of the State of California that the forgoing is true and correct and I agree to the terms and conditions in this proposal.

Teamam, Ramirez & Smith, Inc.  
 Company Name

4201 Brockton Avenue, Suite 100  
 Address

Riverside, CA 92501  
 City State Zip Code

N/A  
 City of Rialto License Number

  
 Signature of Authorized Person

Joshua Calhoun  
 Printed Name

Partner  
 Title

4/12/2018  
 Date

The Proposer hereby acknowledges receipt of and agrees this submittal is based on the RFP and the following addenda. Failure to indicate receipt of addenda may result in the Proposer being rejected as non-responsive.

ADDENDUM # 1 DATED 3/15/2018

ADDENDUM # 3 DATED 3/27/2018

ADDENDUM # 2 DATED 3/26/2018

ADDENDUM # \_\_\_\_\_ DATED \_\_\_\_\_

(If additional addenda are issued, attach a complete listing of these addenda when submitting this PROPOSAL).

No PROPOSAL

In order to help us improve our internal processes and become a better customer, if you are not submitting a PROPOSAL, please state the reason(s) why and return this page to the Purchasing Manager.

\_\_\_\_\_  
 \_\_\_\_\_

## **APPENDIX F: PROPOSERS BACKGROUND INFORMATION**

**CITY OF RIALTO  
REQUEST FOR PROPOSAL #18-080  
PROPOSERS BACKGROUND INFORMATION**

**Proposers Information**

Proposer's Contact Name:	<u>Joshua Calhoun</u>
Contact Title:	<u>Partner</u>
Mailing Address:	<u>4201 Brockton Avenue, Suite 100</u> <u>Riverside, CA 92501</u>
Location of Business (if different from mailing address)	<u>Same as above</u>
Telephone Number:	<u>951-274-9500</u>
Pager Number:	<u>N/A</u>
24 Hour Telephone Number:	<u>951-274-9500</u>
Fax Number	<u>951-274-7828</u>
E-Mail Address:	<u><a href="mailto:jcalhoun@trscpas.com">jcalhoun@trscpas.com</a></u>
Remittance Address (if difference from mailing address)	<u>Same as above</u>
Number of Years in Business:	<u>80 Years</u>
Applicable State of California License No.	<u>COR 1823</u>
Expiration Date(s)	<u>08/31/2019</u>
Proposer's Dunn and Bradstreet DUNNS: NUMBER:	<u>N/A</u>

## **APPENDIX G:**

# **PROPOSER'S DECLARATION**

**CITY OF RIALTO**  
**REQUEST FOR PROPOSAL #18-080**  
**PROPOSER'S DECLARATION**

Proposal Date: April 12, 2018

To the Honorable Mayor and City Council From:

Teaman, Ramirez & Smith, Inc.

Contractor

The undersigned, as Proposer, declares that he has carefully examined the locations of the proposed work described, examined the Agreement and read the Instructions to Proposers and is familiar with all proposal requirements, and hereby proposes and agrees, if the proposal is accepted, to complete the said maintenance in accordance with the Agreement Documents, as defined in the General Provisions, in the time stated herein, for the prices set forth in the following schedule:

Said amount to include and cover all taxes, the furnishing of all materials, the performing of all the labor requisite and the providing of all necessary machinery, tools, apparatus and other means of construction; also, the performance and completion of all the work in the manner set forth, described and shown in the Specifications or on the drawings for the work.

The Proposer to whom the contract(s) is awarded agrees to enter into an agreement with the City, and to commence work within fifteen (15) working days from the date of execution thereof, and to diligently prosecute the work to completion as set forth in the agreement after the execution of the agreement and the date of issuance of a Notice to Proceed.

The City Offices are closed every Friday and the following Holidays: New Year's Day, Martin Luther King Day, President's Day, Cesar Chavez Day, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, Christmas Eve and Christmas.

All proposals are to be computed on the basis of the given Estimated Type of Work, as indicated in this proposal. In case of a discrepancy between words and figures, the words shall prevail. In case of a discrepancy between unit prices and the extension thereof, the unit price shall prevail and proposals will be computed as indicated above and compared on the basis of correct totals.

The estimated quantities of work indicated in this proposal are approximate only, being given solely as a basis or comparison of proposals. The City does not expressly nor by implication agree that the actual amount of work will correspond therewith, but reserves the right to increase or decrease the amount of any item or portions of the works as may be deemed expedient by the Contract Administrator.

It is understood by the Proposer that the City of Rialto has the right to reject this proposal or to award an agreement to the undersigned at the prices stipulated. If the proposal is rejected, then the enclosed check or proposal bond shall be returned to the undersigned within thirty (30) days from the date thereof. If the proposal is

accepted and the work is awarded and the terms supplied by the Purchasing Manager within fifteen (15) days such further time as may be granted by the City Council, then said check shall be cashed or said bond declared forfeit and an amount equal to the difference between the lowest Proposer who will execute an agreement shall be paid into the treasury of the City of Rialto as liquidated damages for the failure of the undersigned to comply with the terms of this proposal.

Licensed in accordance with an act providing for the registration of License No. COR 1823, classification, Accounting Corporation. In executing this proposal certified being properly licensed to do the work.

Signature of Proposer



If an individual, so state. If a firm or co-partnership, state the firm name and give the names of all individual co-partners composing the firm, i.e., president, secretary, treasurer and manager, thereof.

Firm: Teaman, Ramirez & Smith, Inc.  
President: Richard Teaman  
Secretary: Javier Carrillo  
Treasurer: David Ramirez  
Partner: Joshua Calhoun  
Partner: Bryan Daugherty

Dated: April 12,, 2018

4201 Brockton Avenue, Suite 100, Riverside, CA 92501 Business Address

951-274-9500 Telephone Number



## **APPENDIX H:**

# **STATEMENT OF PROPOSER'S QUALIFICATIONS**

**CITY OF RIALTO  
REQUEST FOR PROPOSAL #18-080  
STATEMENT OF PROPOSER'S QUALIFICATIONS**

STATE OF CALIFORNIA, COUNTY OF Riverside

I am the of Teaman, Ramirez & Smith, Inc., the Proposer herein. I have read the foregoing statement and know the contents thereof; and I certify that the same is true of my own knowledge, except as to those matters which are therein stated upon my information or belief, and as to those matters I believe it to be true.

Executed on 4/12/2018 at Riverside, California  
(date) (place)

I declare, under penalty of perjury, that the foregoing is true and correct.

  
\_\_\_\_\_  
Signature of Proposer

Partner  
\_\_\_\_\_  
Title

# **APPENDIX I:**


## **CERTIFICATION OF NON- DISCRIMINATION BY CONSULTANTS**

**CITY OF RIALTO**  
**REQUEST FOR PROPOSAL #18-080**  
**CERIFICATION OF NON-DISCRIMINATION BY CONSULTANTS**

As suppliers of goods or services to the City of Rialto, the firm listed certified that it does not discriminate in its employment with regard age, handicap, race, color, religion, sex, or national origin; that it is in compliance with all federal, state, local directives, and executive orders regarding non-discrimination in employment; and that it agrees to demonstrate positively and aggressively the principle of equal imposed for violation of Chapter 1 of Part VII, Division 2 of the Labor Code, in accordance with the provisions of Section 1753 thereof.

We agree specifically:

1. To establish or observe employment policies which affirmatively promote opportunities for minority persons at all job levels.
2. To communicate this policy to all persons concerned, including all company employees, outside recruiting services, especially those serving minority communities, and to the minority communities at large.
3. To take affirmative steps to hire minority employees within the company.

  
\_\_\_\_\_  
Signature of Authorized Representative

Joshua Calhoun, Partner  
\_\_\_\_\_  
Printed Name/Title

Teaman, Ramirez & Smith, Inc.  
\_\_\_\_\_  
Company Name

4201 Brockton Avenue, Suite 100  
\_\_\_\_\_  
Address

Riverside, CA 92501  
\_\_\_\_\_  
City, State, Zip Code

4/12/2018  
\_\_\_\_\_  
Date Signed

Please include any additional information available regarding equal opportunity employment programs now in effect within your company.

## **APPENDIX J:**

# **NON-COLLUSION AFFIDAVIT**

**CITY OF RIALTO  
REQUEST FOR PROPOSAL #18-080  
NON-COLLUSION AFFIDAVIT**

The undersigned bidder or agent, being duly sworn on oath, says that he/she has not, nor has any other member, representative, or agent of the firm, company, corporation or partnership represented by him, entered into any combination, collusion or agreement with any person relative to the price to be bid by anyone at such letting nor to prevent any person from bidding nor to include anyone to refrain from bidding, and that this bid is made without reference to any other bid and without any agreement, understanding or combination with any other person in reference to such bidding.

He/She further says that no person or persons, firms, or corporation has, have or will receive directly or indirectly, any rebate, fee gift, commission or thing of value on account of such sale.

**OATH AND AFFIRMATION**

**I HEREBY AFFIRM UNDER THE PENALTIES FOR PERJURY THAT THE FACTS AND INFORMATION CONTAINED IN THE FORGOING BID FOR PUBLIC WORKS ARE TRUE AND CORRECT.**

Dated this 12 day of April, 2018

Teaman, Ramirez & Smith, Inc.  
(Name of Organization)

Partner  
(Title of Person Signing)

  
(Signature)

**ACKNOWLEDGEMENT**

STATE OF California)

)ss

COUNTY OF Riverside)

Before me, a Notary Public, personally appeared the above named and swore that the statements contained in the foregoing document are true and correct.

Subscribed and sworn to me this 9th day of April, 2018

see attached  
Notary Public Signature

My Commission Expires: 8/28/2019



# JURAT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

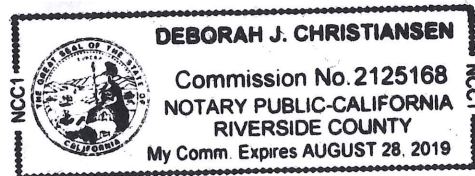
County of Riverside

Subscribed and sworn to (or affirmed) before me on this 9<sup>th</sup> day of April,  
2018 by Joshua Calhoun

proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Deborah J. Christiansen  
Signature

(Seal)



## OPTIONAL INFORMATION

### DESCRIPTION OF THE ATTACHED DOCUMENT

\_\_\_\_\_  
(Title or description of attached document)

\_\_\_\_\_  
(Title or description of attached document continued)

Number of Pages \_\_\_\_\_ Document Date \_\_\_\_\_

\_\_\_\_\_  
Additional information

## INSTRUCTIONS

*The wording of all Jurats completed in California after January 1, 2015 must be in the form as set forth within this Jurat. There are no exceptions. If a Jurat to be completed does not follow this form, the notary must correct the verbiage by using a jurat stamp containing the correct wording or attaching a separate jurat form such as this one with does contain the proper wording. In addition, the notary must require an oath or affirmation from the document signer regarding the truthfulness of the contents of the document. The document must be signed AFTER the oath or affirmation. If the document was previously signed, it must be re-signed in front of the notary public during the jurat process.*

- State and county information must be the state and county where the document signer(s) personally appeared before the notary public.
- Date of notarization must be the date the signer(s) personally appeared which must also be the same date the jurat process is completed.
- Print the name(s) of the document signer(s) who personally appear at the time of notarization.
- Signature of the notary public must match the signature on file with the office of the county clerk.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different jurat form.
  - ❖ Additional information is not required but could help to ensure this jurat is not misused or attached to a different document.
  - ❖ Indicate title or type of attached document, number of pages and date.
- Securely attach this document to the signed document with a staple.