

Agenda Item Details

MEETING	August 29, 2024 - Regular Board of Trustees Meeting
CATEGORY	CONSENT ITEMS: ADMINISTRATIVE AND FINANCE, RISK MANAGEMENT
SUBJECT	Authorization for the Board to approve a new five-year contract with CWDL for services beginning July 1, 2024 to audit the year ending June 30, 2029.
TYPE	Action (Consent)
FISCAL IMPACT	Yes
DOLLAR AMOUNT:	Five year amount not to exceed \$842,500.
BUDGETED:	Yes
BUDGET SOURCE:	U-1500-5190-6720-S
RECOMMENDED ACTION:	Recommend approval to execute a five-year contract with CWDL in the total amount not to exceed of \$842,500.

Public Content

EXPLANATION AND ANALYSIS: The District issued RFQ 2024-050 for Audit Services on Feb 11, 2024. Receiving only two proposals by the submission due date of March 1, 2024. The two firms were Eide Bailly, our current audit services provider and CWDL (Cossolias, Wilson, Dominguez, Leavitt).

Senior Management decided to reissue the RFP for Audit Services (RFP2024-050R) on June 10, 2024. The District only received two proposals by the submission due date of July 17, 2024; the two firms were Eide Bailly, and CWDL. The same two firms as earlier. The District outreach included advertising in two local newspapers on two different dates. As well as sent

out notices to 95 firms that could provide Audit Services. In addition, tis RFQ was uploaded to the Purchasing website.

In 2019 Eide Bailly started providing District auditor services when Vavrinek, Trine, Day & Company (VTD), who was providing the Districts audit services merged with Eide Bailly.

District’s five member Selection Committee ranked CWDL’s proposal received the highest score of 84.8 vrs 76.6 for Eide Bailly. A Best Practices in the audit industry is to change auditors every five-years, at a minimum the changing of the Engagement Partner within same firm.

Yearly breakdown of expenses for CWDL:

<i>Audit Services</i>	FY24/25	FY25/26	FY26/27	FY27/28	FY28/28	sub-costs
<i>sub-Costs</i>						
<i>Annual District Financial Audit and Federal Single Audit (Federal Grants)</i>	\$135,500.00	\$139,500.00	\$143,500.00	\$147,500.00	\$151,500.00	\$717,500.00
<i>Annual general Obligation Bond Audit</i>	\$12,500.00	\$13,000.00	\$13,500.00	\$14,000.00	\$14,500.00	\$67,500.00
<i>Parcel Tax</i>	\$10,500.00	\$11,000.00	\$11,500.00	\$12,000.00	\$12,500.00	\$57,500.00
TOTAL:	\$158,500.00	\$163,500.00	\$168,500.00	\$173,500.00	\$178,600.00	\$842,600.00

The District is required by the federal and state law(s) to audit the financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of activities, and the aggregate remaining fund information of San Francisco Community College District (the District) as of June 30, 2024, and for the year then ended, and the related notes to the financial statement, which collectively comprise the District's basic financial statements.

Accounting principles generally accepted in the United States of America require that certain information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate

operational, economic, or historical context. As part of this engagement, CWDL will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation and comparing the information for consistency with management's responses to our inquiries. The auditor will not express an opinion or provide any form of assurance on the RSI.

The following RSI is required by accounting principles generally accepted in the United States of America.

This RSI will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis;
- 2) Schedule of Changes in the District's Net OPEB Liability and Related Ratios;
- 3) Schedule of OPEB investment Returns;
- 4) Schedule of the District's Proportionate Share of the Net OPEB Liability - MPP Program;
- 5) Schedule of the District's Proportionate Share of the Net Pension Liability;
- 6) Schedule of District Contributions for Pensions; and
- 7) Note to RSI.

Supplementary information, other than RSI, will accompany the District's basic financial Statements. The auditor will subject the following supplementary information to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. The auditor will intend to provide an opinion on the following supplementary information in relation to the financial statements as a whole:

- 1) Schedule of Expenditures of Federal Awards;
- 2) Schedule of Expenditures of State Awards;
- 3) Schedule of Workload Measures for State General Apportionment Annual (Actual) Attendance
- 4) Reconciliation of Education Code Section 84362 (50 Percent Law) Calculation;

- 5) Reconciliation of Annual Financial and Budget Report (CCFS-311) with Audited Financial Statements;
- 6) Proposition 30 Education Protection Account (EPA) Expenditure Report;
- 7) Reconciliation of Governmental Funds to the Statement of Net Position; and
- 8) Note to Supplementary information.

As part of the Participatory Governance process; on August 28, 2024, the PGC Budget Committee approved this item to move forward and to be presented at the next **Board of Trustee's meeting**

PROCUREMENT AND SELECTION PROCESS: Issuing a RFQ (formal bid-over \$60,000) for these services is being compliant to the process as stated in the Purchasing Policy AP 8.06A.

SUBMITTED BY: Mitchell Bailey, Interim Chancellor and Adil Ahmed, Associate Vice Chancellor of Finance.