



Joan Davies
City of Yachats
441 Highway 101 North
Yachats, Oregon 97498

Dear Ms. Davies,

Thank you for the opportunity to submit our proposal for providing audit services to the City of Yachats. We are pleased to offer our approach to assisting the City with its needs for financial and compliance audit services.

Hanford & Associates, LLC has reviewed the requirements and work scope described in the RFP. We understand the objective is to provide financial and compliance audit services in accordance with Generally Accepted Governmental Auditing Standards (GAGAS) and Oregon Minimum Standards. Hanford & Associates, LLC has 15 years of combined experience in providing audit services to federal, state and local governments including several cities in Washington State. We possess the required technical resources and qualifications to perform the work within the timeline required. Hanford & Associates confirms they are qualified to perform municipal audits in accordance with Oregon Municipal Law and is authorized by the Oregon State Board of Accountancy to perform such services.

Hanford & Associates, LLC is focused on delivering an exceptional level of service to our clients through our industry experience and knowledge. We are committed to providing audit services that are efficient and provide value, as well as, to establish respectful working relationships. We understand the burden audits place on organizations and we strive to minimize the impact on the organizations' staff.

We look forward to the opportunity to work with you and welcome the chance to present our proposal. If you have any questions, please do not hesitate to contact me via phone (509) 290-220 or by email at Teresa.Hanford@hanfordllc.com.

Sincerely

Teresa Hanford, CPA, CIA, CGAP, CFE
Managing Partner



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Section 1: Understanding the Industry and Statement of Work

Hanford & Associates, LLC is comprised of highly skilled professionals with over 15 years of combined experience in governmental auditing. The individuals leading this engagement will be Teresa Hanford, Managing Partner, and Sara Marshall, Lead Auditor. The audit team may include additional personnel that will be overseen by both the lead auditor and managing partner. The team members overseeing the engagement have extensive experience in auditing local, state and federal governmental agencies including several cities in Eastern Washington State. They have provided audit services through the Washington State Auditors Office, serving as subject matter experts for the local team, providing leadership and training for both multi-opinion unit audits and federal grant audits including many Comprehensive Annual Financial Reports (CAFR). The team has extensive knowledge in performing compliance audits at both the federal and local level. In addition to cities, the team has also audited the financial statements and federal awards of counties, ports, school districts, public utility districts and several special purpose districts of various sizes. Both team members hold Certified Public Accountant licenses and masters and bachelors degrees in accounting.

The team is well versed in Governmental Accounting Standards Board (GASB) and GAGAS requirements. They have extensive experience in internal control analysis and process improvements to create efficiencies while meeting compliance and reporting needs. The team understands the complexities of fund financial statements and various accounting and reporting requirements necessary for governmental and proprietary funds and associated component units.

Our Company believes in providing exceptional customer service and engaging in frequent, honest and open communication with clients. Based on our experience and Company values we will provide the City with an exceptional, value added audit. We are committed to hearing your needs and working diligently to meet them while maintaining professional independence.

Hanford & Associates, LLC team members have been focused on audits of the Department of Energy prime contractors and subcontractors since late 2014; however, each have extensive experience in auditing local governments from 2008-2014. The agencies audited by the team members during this time period include but are not limited to:



Agency	Location
City of Kennewick	Kennewick, Washington
City of Lind	Lind, Washington
City of Richland	Richland, Washington
City of Sunnyside	Sunnyside, Washington
City of Benton City	Benton City, Washington
Adams City	Ritzville, Washington
Benton City	Richland, Washington
Franklin City	Pasco, Washington
Walla Walla City	Walla Walla, Washington
Port of Othello	Othello, Washington
Port of Pasco	Pasco, Washington
Port of Walla Walla	Walla Walla, Washington
Port of Benton	Richland, Washington
City of Prosser	Prosser, Washington
Grandview School District	Grandview, Washington
Mabton School District	Mabton, Washington
Prosser School District	Prosser Washington
Richland School District	Richland, Washington
Warden School District	Warden, Washington

The aforementioned engagements were led by members of our team and included financial, federal single audits and compliance work.

Hanford & Associates, LLC is committed to minimizing the impact of the audit to the City staff. We understand the valuable service the City provides to the community and taking significant time away from everyday tasks can create a hardship for your organization and the citizens it serves. We will work diligently to be conscientious of the time asked of City staff. This will be accomplished through:

- Audit planning that results in efficient audit procedures
- Avoid constant interruptions to staff by requesting documentation in advance and scheduling meetings for documentation questions

We believe our audit approach, education, and extensive government audit experience will provide the City with an excellent, reliable audit to serve its citizens and stakeholders.



Section 2: Audit Fees

The following are the proposed audit fees:

- Fixed price of \$12,000 to include the audits of the financial statements and compliance to Oregon Minimum Standards. This price includes all associated travel costs.
- If the City requires a federal single audit in accordance with OMB Uniform Guidance (formerly OMB Circular A-133) there will be an additional fixed charge of \$6,000 inclusive of any additional travel costs. Should more than one single audit be necessary, further negotiation will be required.



Attachment 1- Resumes



TERESA HANFORD, Partner

Hanford & Associates, LLC- Richland, WA

Teresa.Hanford@hanfordllc.com

(509) 290-2200

Professional Profile

Teresa is the Managing Partner of Hanford & Associates, LLC. She has an extensive background in both accounting and auditing. Teresa provided accounting services to small businesses and non-profit organizations prior to moving into audits of federal, state and local governments. Teresa is proficient and experienced in understanding and applying various standards including Generally Accepted Audit Standards (GAAS), Generally Accepted Government Audit Standards (GAGAS), Generally Accepted Accounting Principles (GAAP), COSO - Internal Control Framework, and COSO - Enterprise Risk Management Framework and Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing (IIA Standards – Red Book). Teresa is also proficient in the Washington State Budgeting, Accounting and Reporting (BARS) manual for both GAAP and cash basis agencies. Teresa serves on the board of the Mid-Columbia Chapter of the Institute of Internal Auditors and previously served as the local area fraud specialist with the Washington State Auditor's Office.

Teresa has a robust educational background holding a bachelors degree in accounting from Central Washington University and a Masters in Business Administration from Western Governors University. Teresa is a licensed certified public accountant (CPA), a certified internal auditor (CIA), certified government auditing professional (CGAP) and a certified fraud examiner (CFE).

Teresa values establishing strong working relationships with clients, frequent and open communication and providing superior customer and audit service.



Professional Experience

- Incurred cost audits for subcontractors to a prime contractor to the Department of Energy including the assessment of internal controls
- Analyzed and evaluated compliance with complex requirements with an intuitive understanding of risks associated with the requirements, resulting in recommendations to improve entity controls or processes
- Assessment of internal controls
- Streamlining business processes to create efficiencies
- Supervised, planned and performed financial, single (federal compliance), accountability audits, and special investigations for governmental entities with specific expertise in:
 - Cities and Counties
 - Public Utility Districts
 - Housing Authorities
 - School Districts

Area of Specialization

Teresa specializes in audits of federal, state and local governments; providing audit services in financial statements, federal programs, and compliance. Teresa also has a strong background in business set up and business process improvement.

Education

- Masters in Business Administration, Management & Strategy
Western Governors University- Salt Lake City, Utah
- Bachelors in Accounting
Central Washington University- Ellensburg, Washington

Licenses & Certifications

- Certified Public Accountant (CPA) – License No. 34555
- Certified Internal Auditor (CIA)
- Certified Government Auditing Professional (CGAP)
- Certified Fraud Examiner (CFE)

Professional Organizations

- American Institute of CPAs (AICPA)
- Institute of Internal Auditors (IIA)
- Washington Societies of CPAs (WSCP)

Professional Involvement

- Mid-Columbia Chapter of the Institute of Internal Auditors- Vice President



Sara Marshall, Lead Auditor

Hanford & Associates, LLC- Richland, WA

Sara.Marshall@hanfordllc.com

(509) 539-0633

Professional Profile

Sara serves as the Lead Auditor for Hanford and Associates, LLC. She has an extensive audit background specializing in audits of governmental agencies. Sara has also performed internal control audits utilizing the COSO framework resulting in improvements to internal control processes.

Sara is proficient and experienced in understanding and applying various standards including Generally Accepted Audit Standards (GAAS), Generally Accepted Government Audit Standards (GAGAS), Generally Accepted Accounting Principles (GAAP), COSO - Internal Control Framework, and COSO - Enterprise Risk Management Framework and Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing (IIA Standards – Red Book). Sara is also proficient in the Washington State Budgeting, Accounting and Reporting (BARS) manual for both GAAP and cash basis agencies.

Professional Experience

- Performed audits over low-income tribal tax credit partnerships for general and limited partners
- Presented on Enterprise Risk Management at the Contractors Internal Audit Director's joint conference with the Office of the Inspector General (OIG) in 2016
- Supervised, planned and performed financial, single (federal compliance), accountability audits, and special investigations for governmental entities with specific expertise in:
 - Cities
 - Counties
 - Public Utility Districts
 - Housing Authorities
 - School Districts
- Assessment of internal controls

Area of Specialization

Sara specializes in audits of federal, state and local governments; providing audit services in financial statements, federal programs, and compliance.

**Education**

- Masters of Science in Accounting
University of Phoenix- Phoenix, Arizona
- Bachelors of Science in Accounting
University of Montana- Missoula, Montana

Professional Licenses

- Certified Public Accountant (CPA)- License No. 34124

Professional Affiliations

- Institute of Internal Auditors (IIA)

Professional Affiliations

- Mid-Columbia Chapter of the Institute of Internal Auditors- President