

To: Administration and Finance Committee

Date: March 7, 2018

From: Erick Cheung, Chief Financial Officer

SUBJECT: Financial Audit Services One Year Extension

Summary of Issues:

Last year was the final year for Brown Armstrong to provide audit services to County Connection. Brown Armstrong had a contract beginning in 2012 through 2016 and exercised a one year extension in 2017. Brown Armstrong has provided County Connection good service over that period of time and helped staff implement GASB 68 (GASB 68) – Accounting and Financial Reporting for Pensions in FY 2014. In Fiscal Year 2018, the Authority will need to implement GASB 74 – Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans and staff would prefer the continuity of Brown Armstrong through this implementation as it will be similar to GASB 68. County Connection at the completion of FY 2017 audit, discussed with Brown Armstrong if they would be interested in doing a one year extension. Brown Armstrong is interested in continuing our relationship and has provided a proposal for \$45,500, which is \$1,000 or 2.2% more than the amount for the previous year. This appears to be a reasonable amount as CPI has average around 3% over the last 3 years. Finally, staff will be issuing a Request for Proposal in the following year.

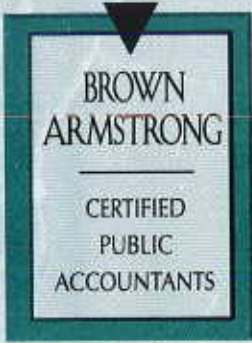
Recommendation: Staff requests that the Administration and Finance Committee recommend to the Board of Directors that Brown Armstrong be engaged to perform financial audit for FY 2018.

Options:

1. Send staff recommendation to the Board of Directors in the form of a Resolution.
2. Decline staff recommendation and go out to bid.
3. Take other action as determined.

Attachment:

- a. Brown Armstrong Proposal for June 30, 2018



BROWN ARMSTRONG

Certified Public Accountants

January 26, 2018

Mr. Erick Cheung
Director of Finance
Central Contra Costa Transit Authority
2477 Arnold Industrial Way
Concord, California 94520

Dear Mr. Cheung:

We have enjoyed our past relationship and look forward to continuing to serve the Central Contra Costa Transit Authority (the Authority). We are pleased to provide you with our proposed fee for audit services for the fiscal year ending June 30, 2018.

Our existing contract for the June 30, 2017 audit was \$44,500 (refer to the attached fee from our proposal letter dated July 23, 2015). We propose a not-to-exceed maximum fee of \$45,500 for the year ending June 30, 2018.

If you accept this proposal, please sign the enclosed copy and return it to us in the enclosed envelope.

Please call me if I can clarify or expand on any item contained in this proposal. We appreciate the opportunity to provide you with the outstanding service you expect.

Sincerely,

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

By: Rosalva Flores

RAF:jav

Enclosures

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ACCEPTANCE:

This letter correctly sets forth the understanding of Central Contra Costa Transit Authority.

By: _____

Title: _____

Date: _____

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