

AMENDMENT NO. 1 TO AGREEMENT NO. C2014 067

This Amendment No. 1 to Agreement No. C2014 067 (hereinafter "Amendment") is dated this _____ day of _____, 2017, by and between the City of Napa, a municipal corporation (hereinafter "City"), and Vavrinek, Trine, Day & Company, LLP, an Accountancy Corporation (hereinafter "Consultant").

RECITALS

A. City and Consultant entered into an Agreement entitled Financial Audit Services (hereinafter "Agreement") for audit services of general purpose financial statements in a not to exceed amount of \$279,960, including \$28,020 in optional services over a 3-year period of FY 2014, FY 2015 and FY 2016, by which the Consultant agreed to perform services more particularly described in the Agreement and generally including the scope of work noted in Exhibit "A" to this amendment.

B. City has determined that additional services are required, beyond those described in the Agreement, in order to continue the work commenced under the Agreement, generally including Financial Audit Services of our general purpose financial statements for an extended term.

C. After negotiations between the parties, Consultant agreed to perform the additional services more particularly described in Exhibit "A," attached hereto and incorporated herein by reference, in return for the compensation set forth in this Amendment.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS AND CONDITIONS IDENTIFIED HEREIN, THE PARTIES HEREBY AGREE AS FOLLOWS:

1. **INCORPORATION BY REFERENCE.** This Amendment hereby incorporates by reference all terms and conditions set forth in the Agreement, unless specifically modified by this Amendment. All terms and conditions set forth in the Agreement which are not specifically modified by this Amendment shall remain in full force and effect.

2. **SCOPE OF ADDITIONAL SERVICES.** Consultant shall perform the additional services described in Exhibit "A" in accordance with the terms and conditions of the Agreement.

3. **PAYMENT.** For additional services performed by Consultant in accordance with this Amendment, City will compensate Consultant in accordance with the terms and conditions of the Agreement in an amount not to exceed \$195,124. Thus, the total compensation payable to the Consultant in accordance with the Agreement as amended herein shall not exceed \$475,084. (\$279,960, including \$28,020 in optional services for the original Agreement plus \$195,124, including \$18,680 in optional services for this Amendment).

For Fiscal Year 2017 Audit – Not to exceed \$96,120, including \$9,340 in optional services
For Fiscal Year 2018 Audit – Not to exceed \$99,004, including \$9,340 in optional services

4. **ENTIRE AGREEMENT.** This Amendment (including the Agreement as amended herein and all documents incorporated herein by reference) comprises the entire integrated understanding between the parties concerning the services described in this Amendment. This Amendment supersedes all prior negotiations, agreements and understandings regarding the additional services described herein, whether written or oral. The documents incorporated by reference into this Amendment are complementary; what is called for in one is binding as if called for in all.

5. **SIGNATURES.** The individuals executing this Amendment represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Amendment on behalf of the respective legal entities of the Consultant and the City. This Amendment shall insure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the parties have duly executed this Agreement the day and year first above written.

CITY OF NAPA:

(Signature)

(Type name and title)

ATTEST:

(Signature)

Dorothy Roberts, City Clerk

(Type name and title)

COUNTERSIGNED:

(Signature)

Desiree Brun, City Auditor

(Type name and title)

APPROVED AS TO FORM:

(Signature)

Michael W. Barrett, City Attorney

(Type name and title)

Budget Code: _____

CONSULTANT:

(Print name of Consultant/form of organization)*

By: _____

(Signature)

(Print name and title)

By: _____

(Signature)

(Print name and title)

*Corporation, partnership, limited liability corporation, sole proprietorship, etc.

Unless corporate resolution delegates an individual to sign contracts, an agreement with a corporation shall be signed by the President or Vice President **and** the Secretary or Treasurer of the corporation. A general partner shall sign on behalf of a general partnership. The managing member, if authorized, may sign on behalf of a limited liability corporation.

EXHIBIT "A"**SCOPE OF WORK**

Consultant shall perform audit in accordance with all applicable and generally accepted auditing standards including but not limited to: the standards set forth for financial audits by the Governmental Accounting Standards Board (GASB), in the General accounting Office's (GAO) Governmental Auditing Standards, the U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments and Non-Profit Organizations and the provisions of the Single Audit Act, as amended.

- A. Consultant shall express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles. Consultant shall also express an opinion on the fair presentation of City's combining and individual fund statements and schedules with generally accepted accounting principles. Consultant shall be responsible for performing certain limited procedures involving required supplementary information required by the Governmental accounting Standards Board as mandated by generally accepted auditing standards.
- B. The audit plan, as requested by the City and agreed to by the Consultant covers the following:
 - 1. Audit of the City of Napa's Comprehensive Annual Financial Report
 - 2. Preparation of the report on the review of the City's GANN Limit computation
 - 3. Preparation and electronic filing of the State Controllers Report – City Transactions (OPTIONAL)
 - 4. Preparation and electronic filing of the State Controller's Report – Streets (OPTIONAL)
 - 5. Audit and Preparation of the City's Single Audit Report (4 programs in FY 2013-14)
 - 6. Audit and Preparation of the City's Transportation Development Act
 - 7. Preparation and electronic filing of the City's REAC report
 - 8. Attendance at City Council meeting for CAFR presentation
- C. Before commencement of interim field work, Consultant shall schedule an entrance conference for the purpose of discussing any perceived audit issues or problems, asking and answering questions, clarifying responsibilities and developing an audit strategy. During the course of the engagement, the Consultant shall meet with and provide status reports to the Finance Director on a regular basis. Upon completion of the field work, and before issuing any report or management letter, the Consultant shall schedule an exit conference with the City Manager, Assistant City Manager, Finance Director and other City staff as deemed appropriate to discuss observations, findings and recommendations and to discuss matter to be included in the Management Letter. The City plans to submit its Comprehensive Annual Financial Report (CAFR) to the Government Finance Officers Association (GFOA) for review in its Certificate of Achievement of Excellence in Financial Reporting Program. Consultant shall provide assistance to City in preparing and reviewing the CAFR prior to submittal to the GFOA.
- D. Consultant shall, at it's own expense, retain all work papers and reports for a minimum of five (5) years, unless the Consultant is notified in writing by the City of the need to reduce this retention period. At the completion of this contract, the Consultant shall make available all work papers and reports to the successor auditor in a timely manner at the request of the City.

EXHIBIT "B"

COMPENSATION RATES AND CHARGES

Consultant to be compensated as follows:

Description of Services	Estimated Hours	Proposed Audit Fees ⁽¹⁾ Not to Exceed Amounts				
		2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
1. City of Napa CAFR Audit, including management letter	555	\$ 57,730	\$ 57,730	\$ 57,730	\$ 59,462	61,246
2. Gann Limit Review Report	6	690	690	690	711	732
3. State Controller's Report - City and Street	85	9,340	9,340	9,340	9,620	9,909
4. Single Audit (Assuming 4 Major Programs)	203	20,960	20,960	20,960	21,589	22,237
5. Transportation Development Act	32	3,280	3,280	3,280	3,378	3,479
6. REAC Filing	12	1,320	1,320	1,320	1,360	1,401
Total for Fiscal Year (not-to-exceed)	893	\$ 93,320	\$ 93,320	\$ 93,320	\$ 96,120	\$ 99,004
(1) Based off of the current state of the economy, VTD will hold the audit fee stable for through the 2015/16 year and will subsequently apply a 3% inflation factor.						

Single Audit priced based on four tested programs.

Audit Fees for fiscal years ending June 30, 2014 through June 30, 2018 are Firm Fixed Fees based on the Consultant Proposal dated February 6, 2014.