



MEMORANDUM

DATE: March 19, 2024
TO: Paul Buddenhagen, City Manager
FROM: Lawrence Chiu, Finance Director
SUBJECT: **Resolution Of The City Council Of The City Of Emeryville Authorizing The City Manager To Execute A Second Amendment To The Professional Services Contract With Maze & Associates For A Period From July 1, 2023 Through June 30, 2026 For An Amount Not To Exceed \$157,020 For Fiscal Year 2024 And \$162,037 For Fiscal Year 2025 With A Total Five-Year Contract Not To Exceed Amount of \$679,657 For Audit And Related Services**

RECOMMENDATION

Staff recommends that the City Council adopt the above-entitled resolution authorizing the City Manager to execute a Second Amendment to the professional services contract with Maze & Associates to audit the financial records of the City of Emeryville and the Successor Agency to the Emeryville Redevelopment Agency for Fiscal Years (FY) 2024 and 2025 for a period from July 1, 2023 through June 30, 2026.

BACKGROUND

The City is required to have an annual financial audit performed by an independent certified public accounting firm. On April 6, 2021, the City of Emeryville entered into a contract with Maze & Associates to perform audit services for FYs 2021, 2022 and 2023, with an option to extend the contract for two years.

On December 7, 2021, the City entered into a First Amendment with Maze & Associates and added audit reports for the State Controller's Office to the contract.

The City prepares an Annual Comprehensive Financial Report (ACFR) to report the financial activities. An independent external auditor is contracted to express an opinion on the fair representation of the financial statements in conformance with Generally Accepted Accounting Principles.

Apart from performing financial audits, Maze & Associates has provided ancillary services to the City, such as advising on the implementation of new accounting pronouncements from the Government Accounting Standards Board, and providing annual accounting training to Finance staff. In addition, Maze & Associates has prepared separate audit reports for federal, state, and local grants.

DISCUSSION

Maze & Associates has served as the City's independent auditors for the past three years. Their service has been thorough and accurate, and they are familiar with the City's

operations. Staff are working well with Maze & Associates during the audits, and they have assisted the City with implementing new accounting standards and reporting requirements.

With the assistance of Maze & Associates, the City is able to prepare the ACFR in an expedited manner and receive the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association.

Staff believes that extending the contract with Maze & Associates is prudent at this time because they are familiar with the City's accounting system and financial structure. Their experience with the City will allow them to work independently with less time needed to be spent by City staff. A new RFP will be conducted to select an audit agency before the end of fiscal year 2025.

FISCAL IMPACT

The audit contract amount of \$157,020 and \$162,037 has already been included in the FYs 2024 and 2025 budget.

STAFF COMMUNICATION WITH THE PUBLIC

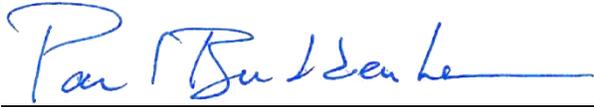
There has been no communication with the public.

CONCLUSION

Staff recommends that the City Council adopt the resolution authorizing the City Manager to execute a Second Amendment to the contract with Maze & Associates for a period from July 1, 2023 through June 30, 2026 for an amount not to exceed \$157,020 in FY 2024 and \$162,037 in FY 2025 with a total five-year contract not to exceed amount of \$679,657 for audit and related services.

PREPARED BY: Peggy Xu, Accounting Manager

**APPROVED AND FORWARDED TO THE
CITY COUNCIL OF THE CITY OF EMERYVILLE:**



Paul Buddenhagen, City Manager

ATTACHMENTS

- Maze & Associates Audit Contract, April 2021
- Maze & Associates, First Amendment, December 2021
- Draft Resolution
- Exhibit A – Maze & Associates, Second Amendment