



November 15, 2022

Karen Chang
Finance Director
City of South San Francisco
400 Grand Avenue
South San Francisco, CA 94080

Dear Karen:

Pursuant to your request, we are pleased to offer to extend our audit contract for the City of South San Francisco to include the fiscal year ended June 30, 2023.

The services we are expected to provide are outlined below, but we are also available to provide additional services at your request:

- 1) Audit of the Basic Financial Statements, and assistance with the preparation of the Annual Comprehensive Financial Report.
- 2) Testing one program for compliance with the Single Audit Act and applicable laws and regulations and issuance of our report thereon.
- 3) Testing of compliance for the Transportation Development Act (TDA) programs and preparation of required reports, if necessary.
- 4) Testing of compliance with the Agreement for Distribution of San Mateo County Measure A Funds and issuance of our report thereon.
- 5) Testing of compliance with the Agreement for Distribution of the San Mateo County Measure W Funds and issuance of our report thereon for the City.
- 6) Agreed Upon Procedures applied to the City's Gann Limit and issuance of our report thereon.
- 7) Preparation of the City's Annual Report of Financial Transactions (Controller's Report) and issuance of a compilation report. (See Compilation Attachment for Our Responsibilities and Your Responsibilities related to the compilation report)
- 8) Preparation of the Annual Comprehensive Financial Report.
- 9) Testing of the City's compliance with the provisions of Article VI of the November 1, 2005 Indenture of Trust associated with the 2005D Bonds.
- 10) GASB 87, *Leases* – continuing increase in audit scope.
- 11) GASB 96, *Subscription-Based Information Technology Arrangements* – increase in audit scope.

Our fees for the work described above will be as follows.

Service	Total
1) Annual Comprehensive Financial Report	\$54,065
2) Single Audit (one program)	5,935
3) Transportation Development Act Audit	3,105
4) Measure A Sales Tax Report	1,540
5) Measure W Sales Tax Report	1,540
6) Gann Limit Report	685
7) Annual Report of Financial Transactions	7,155
8) Preparation of the Annual Comprehensive Financial Report Testing of the City's compliance with the provisions of Article VI of the	7,010
9) November 1, 2005 Indenture of Trust associated with the 2005D Bonds.	765
10) GASB 87, <i>Leases</i> – continuing increase in audit scope	1,530
11) GASB 96, <i>Subscription-Based Information Technology Arrangements</i> – increase in audit scope (A)	TBD
Total	<u>\$83,330</u>

2023 Fees – Our fees are based on our extension letter dated March 15, 2021, our contract with the City dated March 25, 2021, the Bond compliance engagement letter supplement dated June 15, 2022 and the Leases engagement letter supplement dated November 16, 2022, which have been adjusted only for the change in the services component of the Bay Area Cost of Living Index for the San Francisco Bay Area of 2.2%.

(A) Implementation of GASB Pronouncement 96, *Subscription-Based Information Technology Arrangements (SBITAs)* – We will not know the extent of the potential increase in audit scope, if any, until we have additional conversations with City staff. Therefore, once that information is known for the fiscal year, we will provide a cost estimate and addendum to this engagement letter that will be based upon our standard hourly rates. Similar to the increase in audit scope for GASB 87, *Leases*, our initial estimate of the fee for the increase in audit scope if the City has 10 or fewer SBITA agreements in place, regardless of whether they've been recorded as a liability is \$1,500.

We look forward to continuing to improve our services to you.

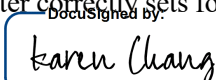
Yours very truly,



Maze & Associates

RESPONSE:

This letter correctly sets forth the understanding of the City.

By: 
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Title: Director of Finance

Date: December 28, 2022 | 11:23:48 AM PST