



INSPIRED TO CONNECT YOU WITH THE BEST SOLUTIONS

December 1, 2021

Proposal for Professional Services for GASB 87, Leases

VENTURA COUNTY TRANSPORTATION COMMISSION

Submitted By:

Eide Bailly LLP
Jessica Andersen, CPA
Partner

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Partner

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1. Introduction/Background

EXPERTISE THAT MATTERS

Thank you for giving Eide Bailly the opportunity to expand our services to Ventura County Transportation Commission (VCTC) and respond to the Request for Proposal (RFP) for Professional Services for Governmental Accounting Standards Board (GASB) 87, Leases. We have served the government industry for more than 70 years and work with more than 1,200 government clients throughout the nation. We have experience performing the requested services and believe we can bring numerous benefits and efficiencies to the process.

Through serving these clients, our professionals have gained focused expertise regarding government organizations and will provide you with insightful advice that aids in managing the finances of VCTC. We understand your specific challenges, needs and goals and have fine-tuned our process to create a more effective and efficient engagement.

Authorized Representatives

As partners of Eide Bailly, **Jessica Andersen** and **Roger Alfaro** are authorized to make representations and bind the firm in contract.



Eide Bailly LLP

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Timeliness

We understand and commit to perform the work with the timing requirements and scope of services as outlined in your RFP. We'll accomplish this by utilizing an open, collaborative process with you. Your proposed engagement team's knowledge of VCTC and experience allows us to address the reporting requirements in a timely fashion and meet VCTC's deadlines.

We Want to Work with You

The following pages highlight our firm's strengths and demonstrate why Eide Bailly merits serious consideration. We want to assist VCTC with these services. This is a firm and irrevocable offer for 90 days. Please contact us if you would like to discuss any aspect of this proposal.

Sincerely,

Jessica Andersen, CPA
Partner

Roger Alfaro, CPA, CITP
Partner



EXPERIENCE

Our experienced professionals are committed to the industries we serve. We focus on training, and we like to think of ourselves as thought leaders.

PEOPLE

We're a team of collaborators and innovators. Our culture is the heart of our firm, and we're always working together to do things differently and better.

COMMUNICATION

Open, honest, frequent communication ensures that you're not in for any surprises. We'll stay in touch throughout the year so you feel understood, connected and confident.

CORPORATE RESPONSIBILITY

We consider ourselves good corporate citizens—caring for our people, giving back to our communities, and taking care of our environment.



2. Qualifications/Credentials

Understanding VCTC's Needs

Based on the RFP and our knowledge of VCTC, we understand the need for a review of VCTC's lease contracts, approximately 100 leases, both as a lessee and lessor, with required analysis under GASB 87, Leases for the fiscal year ending 2022 financial statement and audits. These services will include:

- Reviewing with VCTC's staff typical leases and business areas that fall within GASB 87 and potential types of leases that are required under GASB 87 that may have potential qualifying lease arrangements.
- Reviewing all lease contracts and document approach to determine the lease eligibility under GASB 87.
- Providing a comprehensive list of all contracts reviewed and indicate whether they meet the GASB 87 definition for lessee/lessor and provide reason and documentation to support the decision.
- For leases that meet the GASB 87 definition, gather and include in the list key data and information to determine, at a minimum, the lease term, payment terms, calculated lease liability/asset and deferred outflow/inflow for GASB 87 calculations.
- Providing a master schedule summarizing the calculation and other relevant information used to determine the value for each lease including prior year expense, current year expense and remaining life expense.
- Preparing and providing the appropriate journal entries for the yearend implementation of GASB 87 (fiscal year 2021/2022 – including current year and prior years' restatement entries) and the footnote disclosures for the annual comprehensive financial report (ACFR).
- Developing a matrix to track leases going forward and provide ability for finance staff to maintain and use a tool for yearend journal entries/accruals.
- Assist in developing on-going process and controls to maintain the lease inventory and accounting and reporting process.
- Responding to VCTC's follow-up audit questions and provide additional information as needed to complete GASB 87 lease accounting and disclosures during the fiscal year 2021/2022 audit.

WHAT INSPIRES YOU, INSPIRES US

Your experience will be different than working with other CPA firms because we offer knowledge and skills backed by more than 100 years of service. Our professionals deliver industry and subject matter expertise resourcefully, ensuring we are providing guidance that directly reflects your needs. Our clients benefit from local, personal service and, at the same time, enjoy access to more than 2,500 professionals with diverse skill sets and experiences.

Navigating a Path to Success Together

By embracing change and focusing on innovative ideas, we've grown along with our clients to become one of the top 25 accounting firms in the nation. Accounting is about numbers, but our business is about relationships.

We'll be there for you every step of the way. Talented, down-to-earth people work at our firm, and we're inspired to deliver outstanding expertise and care. We're driven to help you take on the now and the next with inspired ideas, solutions and results.

Our work with clients is more than an engagement. It's a relationship, built on values and trust—and results. When working with Eide Bailly, you will:

- Work with professionals who truly care about your business and will take the time to get to know you and your organization.
- Gain insight from our industry and service specialists to accomplish your objectives, address challenges and leverage new opportunities.
- Make better business decisions knowing you are guided by trusted advisors who care about your success.
- Appreciate our hands-on service style; we are always looking for new ways to solve your problems or help you embrace opportunities.

Management Involvement Level and Client Response

Eide Bailly values its business relationships. On average, our partners and managers spend more time in the field than other national firms. They don't delegate all tasks to staff, but rather stay involved so when issues are identified, they're resolved in a timely manner. Our professionals remain connected with your organization throughout the year. This approach enables us to stay abreast of changes in and updates to our clients' operating environments and collaborate with them to achieve optimal results.

Because we recognize effective communication is critical throughout the entire engagement process, our service and communication approach begins with planning and continues throughout the year. We take a collaborative approach with our clients and include them in the process as our peers. Our clients offer a wealth of knowledge and information about their organization and communicating with them as a business partner always produces the best outcome. Your engagement partners, **Jessica Andersen** and **Roger Alfaro**, will be valuable resources, bringing their familiarity with VCTC to the GASB 87 team.

AT A GLANCE



TOP 25 CPA FIRM



40+ OFFICES IN 14 STATES



350+ PARTNERS



2,500+ STAFF MEMBERS



FOUNDED IN 1917





AN EXPERIENCED SERVICE TEAM

We're passionate about our work—and your success. We have selected professionals for your service team who are the right fit for your engagement, based on their knowledge and experience in the government industry.

We know the importance of a strong business relationship, so we keep staffing changes to a minimum year-to-year. Eide Bailly has a high retention rate, allowing us to provide stability. The following information will provide an overview of your service team:

Team Member	Qualifications and Experience
Jessica Andersen, CPA Partner	Jessica provides audit, accounting and advisory services to governmental and nonprofit entities throughout California. Her governmental focus is on cities, counties and special districts, including transit and public utility agencies. Previously, Jessica began her professional career with a Big 4 International firm working with large commercial, healthcare, nonprofit, higher education and governmental agencies. Jessica serves as VCTC's audit engagement partner and will work as a liaison with the GASB 87 service team.
Roger Alfaro, CPA, CITP Partner	Since 2001, Roger has been providing accounting, audit and advisory services to governmental and commercial entities throughout California. His experience includes governmental entities including cities, counties, special districts and state agencies. His expertise includes the complex accounting and regulatory requirements for single audit compliance; he's recognized as a leader in Uniform Guidance audit requirements. Roger will oversee the GASB 87 services, serving as a technical resource and provide expertise from previous lease implementations.
Erika Partida, CPA Senior Manager	Erika will serve as the project manager and will be responsible for the day-to-day management and delivery of services to VCTC. She will assist the partners in directing the activities of the team, coordinating all services and ensuring the timely delivery of quality services. She has more than 13 years in public accounting, with experience in the government industry throughout her career.



ADDITIONAL GASB RESOURCES

Team Member	Qualifications and Experience
<p>Eric Berman, CPA, CGMA Partner</p>	<p>Eric has participated in the GASB standard setting process since 1995, starting with GASB Statement No. 14 when Eric was the Chief Financial Officer of the Massachusetts Water Pollution Abatement Trust and from 1999 to 2010, as the Deputy Comptroller of the Commonwealth of Massachusetts, where he oversaw implementation of GASB Statement Nos. 34 through 58. Since then, as an audit and consulting partner, he has been, and is currently, working with clients to implement GASB pronouncements up through and including GASB Statement No. 87 (and beyond). Eric is a GASB task force member, former Vice Chairman of the Governmental Accounting Standards Advisory Council, former Chair of the Association of Government Accountants (AGA) Financial Management Standards Board, Chair of the Committee on Accounting and Reporting at the National Association of State Auditors, Comptrollers and Treasurers, Chair of the Committee on Reporting at the National Association of State Comptrollers as well as membership and chair positions at the American Institute of Certified Public Accountants (AICPA), the California Society of Public Accountants and the Massachusetts Society of Public Accountants. He has conducted numerous trainings on GASB 87 nationally and has spoken at the Iowa Society of CPAs annual Governmental Accounting and Auditing Conference.</p>
<p>David Sundstrom, CPA, CIA Senior Manager</p>	<p>David was a GASB Board Member, co-developing 38 GASB standards including the current standards for pensions, other postemployment benefits (OPEB), fiduciary activities and leases. He approved GASB Statement No. 87 as a GASB Board Member. He is the former Auditor / Controller / Treasurer of the County of Sonoma and the former Auditor / Controller of the County of Orange (both in California). His career in public service also includes leading Orange County out of bankruptcy in the 1990s. He established the internal audit functions at the University of California, Davis and the California State University System.</p>

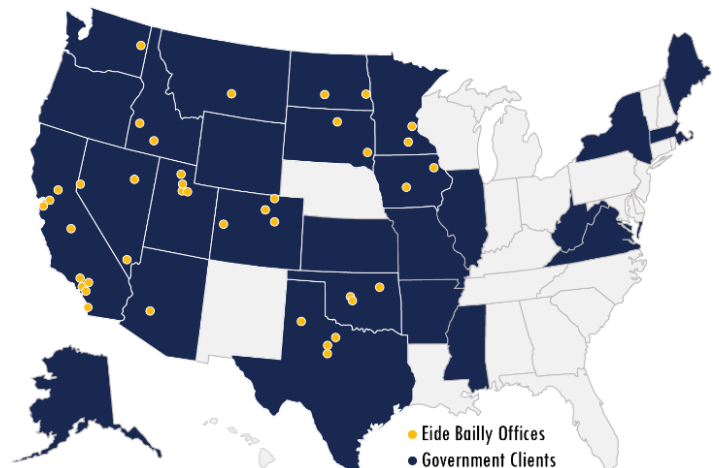


WE UNDERSTAND GOVERNMENTS

Government Industry Experience

The firm has 275 full-time professionals who participate in our Government Industry Group. These professionals share information, learn from others and stay up to date on industry developments. To gain the greatest benefit, the knowledge is shared with professionals across the firm.

The government industry represents one of Eide Bailly's largest niche areas—with more than 1,200 government clients firmwide. We provide audit services for a variety of cities, counties, colleges and universities, fire relief agencies, housing authorities, school districts, state agencies and tribal entities. Through serving these clients, our professionals have gained focused expertise in the government industry and will provide you with insightful advice that aids in managing the finances of VCTC.



These services include, but are not limited to, evaluating internal control structure, assessing control risk and performing tests of controls, as well as testing compliance with applicable laws and regulations in accordance with *Government Auditing Standards*.

Government Industry Involvement

Eide Bailly prioritizes staying current with changes to the government industry. We help clients adapt to changes within the existing standards and implement any new standards. Our team members are engaged in the government industry and are well positioned in organizations associated with government entities. We are leaders in the Governmental Accounting Standards Advisory Council (GASAC), the AICPA's Governmental Audit Quality Center, AICPA State and Local Government Expert Panel, Private Companies Practice Section (PCPS) Technical Committee, local and national boards of the Association of Government Accountants (AGA), including the Financial Management Standards Board, and the review committee for the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting. Due to our leadership positions, VCTC will have access to information not available from other accounting firms.

Eide Bailly also regularly attends GASB meetings throughout the year, and we communicate the results of those meetings to our clients through our newsletters, e-blasts and webinars. We are also involved with GASB's financial reporting reexamination task force shaping the future of state and local government accounting and reporting and participate in the reexamination of the revenue and expense model and note disclosure projects with GASB.

Transportation Experience

The proposed engagement team has experience providing services to several other clients in the transit arena including:

- City of Ames (CYRide)
- Golden Gate Bridge, Highway and Transportation Dist.
- North County Transit District
- OmniTrans
- Orange County Transportation Authority
- San Bernardino County Transportation Authority
- San Mateo County Transit District
- Santa Clara Valley Transportation Authority
- Valley Regional Transit

This experience will bring VCTC a different and unique perspective to your engagement not available from other firms. Within the transportation sector, we have seen potential leasing activity involving advertising, cell phone towers and facilities temporarily leased during construction projects, among others. These are in addition to contracts titled as leases for equipment (which are ultimately purchases).

It is common that entities receiving funds under Sections 5307, 5310 (and potentially 5311) contract with independent operators. Such contracts may be:

- Public-private partnerships.
- Public-public partnerships.
- Availability payment arrangements.
- Service concession arrangements.
- Leases (if the underlying asset exists and no improvements are needed by the operator of the Fixed Route Bus, Paratransit Van or Rideshare vehicle).

Finally, VCTC may be party to subscription-based information technology arrangements (SBITAs), typically found in enterprise resource planning, 'office' suites and similar applications. SBITA accounting and financial reporting contained in GASB-96 follows the framework for GASB 87. If the software in a SBITA is insignificant in comparison to hardware involved in a SBITA, GASB 87 applies. We would encourage VCTC to include such arrangements in-scope.

GASB Experience

As your external auditors, we understand VCTC. We have assisted many of our clients over the years with new GASB implementations, building on the trust and understanding we have as your auditors. Eide Bailly wants to work with VCTC and believes we are the firm of choice to meet your current and long-term needs. Further, we are able to structure our work with VCTC in a non-audit service capacity, as maintaining auditor independence is of utmost concern. We ensure the audit team is separate from the GASB 87 service team and involve VCTC management through each step along the way.

Eide Bailly began the process of gearing up for what became GASB 87 prior to 2013 due to our participation on the GASAC and our participation in every GASB meeting. Throughout the process, we leveraged our for-profit and not-for-profit practices who were working with clients on the implementation of Financial Accounting Standards Board (FASB) Accounting Standard Codification (ASC) 842, *Leases*.

We have held numerous client trainings, meetings and roundtables with clients all focusing on understanding the risks of implementing these new global standards.

As stated previously, our firm resources include a GASB Board Member who signed GASB Statement No. 87 and a GASAC Vice Chairman and observer of the GASB. Your service team also includes members of our nationwide GASB 87 subject matter expert team and technical assistance from one of our leading transit authority partners. This partner leads assurance engagements on some of the leading transit entities on the west coast; therefore, we know what implementing GASB 87 will entail for VCTC.

We are also involved with GASB's financial reporting reexamination task force shaping the future of state and local government accounting and reporting and participate in the reexamination of the revenue and expense model and note disclosure projects with GASB. No other firm will provide VCTC this much connection to the standard-setters.

Thought Leadership

A number of partners at Eide Bailly are nationally recognized state and local government thought leaders who present at dozens of national venues throughout the year. These include: GFOA; National Association of State Auditors, Comptrollers and Treasurers; California Society of CPAs; California Society of Municipal Finance Officers; Oregon GFOA; the California State Association of County Retirement Systems; the California Association of Public Retirement Systems; AGA National Professional Development Conference; National Association of Housing and Redevelopment Officials (NAHRO); Iowa Society of CPAs; Idaho Society of CPAs; Utah Society of CPAs; and Colorado GFOA.

We also provide training for state and local agencies. Some of these agencies include: Controllers' offices of the State of Tennessee, Texas State Auditor, State of Montana, Commonwealth of Massachusetts and the State of Nevada.

Furthermore, Eric Berman, Partner, is the author for the entire Governmental Library for Commerce Clearinghouse Wolters Kluwer (CCH). This library serves as the interpretative reference on government Generally Accepted Accounting Principles (GAAP), government best practices and government audits for governments, auditors and educators nationwide. Eric will be an additional resource for VCTC and is available to assist or consult as needed.

Online Publications – VCTC will also have access to resources on our Eide Bailly Government Industry website. We publish articles related to hot issues within the government accounting arena. Below is a list of some of the recent articles posted to our website and emailed to our clients:

- [Frequently Asked Questions on GASB's Leasing Standard.](#)
- [Update Interview with GASB Fellow, Janeen Hathcock.](#)
- [Is Your Government Ready to Implement GASB-87, Leases?](#)

Webinars – We host frequent webinars dedicated to helping you and your organization navigate complex issues. Each webinar covers a different topic to help evaluate the steps necessary to achieve success and remain ahead of the curve.



VISIT OUR WEBSITE TO SIGN UP FOR
OUR NEWSLETTERS, E-BLASTS AND WEBINARS:

www.eidebailly.com/insights

3. References

CLIENT REFERENCES

As a top 25 CPA firm, we've built our business on relationships and believe our clients to be the best critics of our service. Following are clients we have provided, or are providing, GASB 87 services for:

- Bay Area Air Quality Management District
- City of Brookings
- City of Dubuque
- County of San Joaquin
- County of San Mateo
- County of Ventura
- Des Moines Area Regional Transit Authority
- Douglas County Libraries
- King County
- Port of Stockton
- University of Oklahoma and Health Sciences Center
- Sioux Falls Regional Airport Authority

The clients below have similarities to your organization, and we encourage you to contact them to learn about their Eide Bailly experiences.

Bay Area Air Quality Management District	Contact	Stephanie Osaze, Finance Manager 415.749.5000 sosaze@baaqmd.gov
	Date	2021
	Scope of Work	Reviewed all lease contracts and documented approach to determine their eligibility under GASB 87. Presented training for nonaccounting personnel. Provided a list of all contracts that meet the GASB 87 definition and provided documentation support for the inclusion. Provided policies and procedures, including, but not limited discount rate, risk analysis, closing procedures, recognition, measurement, presentation and disclosure. Provided a master schedule summarizing the calculation and other relevant information used to determine the value for each lease. Provided conversion entries for any prior asset and liability balance as of the date of implementation and provide journal entries that would need to be reported for current year activity. Provided general consulting services and a report on GASB 87 and recommendations for further work, which is in process.
King County, Washington	Contact	Eben Sutton, Financial Accounting Administrator 206.477.4540 eben.sutton@kingcounty.gov
	Date	2021
	Scope of Work	GASB-87 Phase 1, Gauging the Control Environment. Review internal controls that: reasonably assure completeness of the lease contract inventory, contracts reported are reported on the financial statements, rights and obligations are captured, each lease is reported according to GASB 87 requirements, and disclosures and policy decisions are appropriate. Questionnaires and interviews occurred of departments with reporting to the County on potential risks. Additional work occurring involving advanced data analytics and further analysis.
University of Oklahoma Norman Campus and the Health Sciences Center	Contact	Karen Smith, Assistant Vice President and Controller 405.325.0708 karen-smith@ou.edu
	Date	2021
	Partner	Provided consulting services in connection with the implementation of GASB 87 specifically relating to salient policies and procedures development and adjudication with management of the University and the Center. Consulting on implementation services regarding GASB 87, as directed by the University and the Center. Presented training for nonaccounting personnel on GASB 87 and related forthcoming standards that may be applicable to the University and the Center.



4. Plan Approach

A CUSTOMIZED SERVICE APPROACH

Timeline

We understand your requested timeline and are committed to meeting your deadlines. We will work closely with your team through the planning stages to clearly define expectations and the items required from your team in order to facilitate an efficient engagement to enable us to meet your deadline. The following table identifies the structure of our GASB 87 services:

Engagement Timeline

Activity	Timing
Planning	Upon engagement
Lease Review	February - April
Exit Conference	At the end of the review
Reporting	On or before May 31, 2022
Ongoing Communication	Throughout the year

Methodology

At Eide Bailly, we promise you a better overall experience. While we recognize that multiple firms are capable of accomplishing the RFP objectives, Eide Bailly appreciates that every situation and every organization is different, and we tailor our approach based on the needs of each client.

Eide Bailly values its business relationships and demonstrates this through our partner and manager involvement. Our senior level professionals are involved with our clients and accessible throughout the year. They do not delegate all tasks to staff, but rather stay involved and connected throughout the year. This approach delivers the greatest benefit to our clients because we are able to stay abreast of changes in and updates to our clients' operating environments and partner with them to achieve optimal results.

Our clients experience a communication approach that stands apart in both style and frequency. Because we recognize that effective communication is critical throughout the entire audit process, our service and communication approach begins with planning and continues throughout the year. Additionally, we take a collaborative communication approach with our clients and include them in the process as our peers. Our clients offer a wealth of knowledge and information about their organization and communicating with them as a business partner ultimately produces the best outcome.

Prior to beginning the engagement, we will discuss with management:

- The engagement timeline.
- The GASB 87 service approach and process.
- Additional considerations that may affect scope, schedules and work papers to be prepared by your personnel.

Upon appointment, we will discuss the schedules and work with you to ensure the timeline meets your needs and makes the most effective use of your staff members' time.

HOW WE WILL ACHIEVE THE OBJECTIVES OF VCTC

We understand VCTC has requested consulting services to assist in implementing GASB 87, including the evaluation of approximately 100 potential leases. To help VCTC meet its stated objectives, we are offering an approach that combines the expertise and insight of government auditors with the experience of former leaders in the industry. We're confident that with these unique backgrounds and perspectives coupled with the expertise and insight of VCTC's staff, the objectives will be met. We will provide the following:

Scope of Work Element, Including, But Not Limited To:	How Eide Bailly Has and Will Provide Such Services to Achieve VCTC's Objectives:
Consulting services to provide advice and guidance for implementation of GASB 87 in accordance with GASB 87 implementation guidelines.	<ul style="list-style-type: none"> • At the onset of our engagement, we will have an entrance conference with you to determine communication protocols, format and potential scope. • Our ongoing GASB 87 implementations include the ability for ad-hoc meetings over Microsoft Teams, timely responses to emails and problem-solving.
Provide recommendations to achieve compliance on lease accounting.	<ul style="list-style-type: none"> • We have implemented (or are in the process of implementing) large government entities such as VCTC. • Given Eide Bailly's relationship with the GASB, including one of the former Board members who was involved with the entire process of drafting and approving GASB 87, we know what it takes for compliance. • Our membership in the AICPA's Government Audit Quality Center and our service on the Executive Committee as well as the State and Local Government Expert Panel has provided us key information on the potential audit issues that VCTC may face in the auditing of GASB 87, including, but not limited to: <ul style="list-style-type: none"> ○ Embedded leases ○ Completeness ○ Recognition ○ Measurement ○ Presentation and Disclosure

Scope of Work Element, Including, But Not Limited To:	How Eide Bailly Has and Will Provide Such Services to Achieve VCTC's Objectives:
	<ul style="list-style-type: none"> We would work with VCTC to help achieve compliance and if desired as an option, engage specific advanced data analytic and other tools to lower the risk of noncompliance.
Provide insights on lease matters in order to recommend a solution for complex issues.	<ul style="list-style-type: none"> We have already provided free of charge thought leadership including 6 hours of CPE on the entirety of the lease framework contained in GASB Statement Nos. 87, 94 and 96. Articles and e-blasts have also occurred since the exposure draft that became GASB 87 was released. We would provide additional training focused on nonaccountants as part of our engagement. Many of our ongoing engagements have complex leases running the gamut from month-to-month leases to related party leases to sale-leasebacks both as lessors and lessees. We routinely work with our clients as their most trusted advisor to find the right solution for many issues involving leasing.
If necessary, conduct research on specific matters that are unique to VCTC.	<ul style="list-style-type: none"> Not only do we have direct access to GASB staff to conduct research, but we also have access to CCH's <i>Accounting Research Manager™</i> (ARM) providing guidance on nearly every matter that VCTC may encounter. ARM has access not only to GASB but also FASB leasing guidance which may provide a direction in almost any issue, despite being nonauthoritative.
For lessee and / or lessor leases, provide advice on accounting methodology to determine the lease receivable and / or payable, reduce and /or recognize interest, and an outflow of resources and / or inflow of resources.	<ul style="list-style-type: none"> We routinely present advice on accounting for lessors and lessees, including the entirety of calculating receivables and payables, the effective interest method and recognition. As part of analyzing existing (or developing) policies and procedures for clients, we will work with VCTC to provide advice on effective internal controls that are essential to fairly implement GASB 87.
Meet with management to consult on implementation.	<ul style="list-style-type: none"> At our initial meetings with clients, we routinely establish communication protocols, check-ins and provide any further advice on implementation.
Provide guidance on the calculation of lease present value.	<ul style="list-style-type: none"> Many of our clients have come to us seeking advice on discount rates both as lessees and lessors. We would provide advice working with your finance team to determine a policy and procedure that is easily implemented and can be replicated well into the future.
Provide guidance when evaluating the impact of negative net position arising from the implementation of leases affecting proprietary funds.	<ul style="list-style-type: none"> The implementation of GASB Statement Nos. 87, 94 and 96 may cause debt to be reported where only a periodic outflow was presented. We would work with you to provide transparent disclosure in VCTC's management's discussion and analysis of the impact of the change and why it occurred.

Deliverables

Following the review of VCTC's leases, Eide Bailly will provide:

- A comprehensive list of all contracts reviewed; indication whether they meet the GASB 87 definition for lessee/lessor and provide reason and documentation to support the decision.
 - For leases that meet the GASB 87 definition, gather and include in the list key data and information to determine, at a minimum, the lease term, payment terms, calculated lease liability/asset and deferred outflow/inflow for GASB 87 calculations.
- A master schedule summarizing the calculation and other relevant information used to determine the value for each lease including prior year expense, current year expense and remaining life expense.
- The appropriate journal entries for the year end implementation of GASB 87 and the footnote disclosures for the annual comprehensive financial report.
- A matrix to track leases going forward and provide ability for finance staff to maintain and use a tool for year end journal entries/accruals.
- Ongoing support in follow-up questions on GASB 87, Leases accounting and disclosures.

Assistance from Your Staff

Your service team will meet with VCTC's management for initial planning to discuss schedules scope of work. We'll then provide VCTC's personnel a Prepared by Client Guide (PBC), which highlights the information needed for the review process. We'll hold meetings with the accounting personnel throughout the process determining the list of open items and the plan to finalize those items.

During the engagement, our use of VCTC's personnel will include answering questions, updating schedules, addressing issues identified and obtaining support documentation. Our processes focus on performing the engagement efficiently, which includes constant communication amongst the team members so we're not asking redundant questions or requesting the same document several times. We also hold weekly meetings with management to determine the status of the review and any outstanding items to be addressed. This keeps the amount of hours needed by VCTC personnel to a minimum.

We ask our clients to have the requested schedules, documentation, and information prepared by the requested dates. Having these items prepared before we arrive for fieldwork ensures the success of meeting the mutually agreed upon deadlines.

Anticipated Problems

Eide Bailly understands the potential for problems that may arise while conducting our engagement and we are prepared to address any issues with you as they arise. We're committed to making our relationships work and do what it takes to make our clients feel comfortable even if it means late-night conference calls. We believe we have a system in place that, combined with the experience we have gained, will translate to meeting your reporting deadlines with a smooth and efficient engagement.

Communication before, during and after the engagement is a hallmark of Eide Bailly's process. As part of our collaborative approach, we will meet with management during planning to gain a thorough understanding of the VCTC's expectations and any changes to the organization. We will communicate progress through oral and written status updates and discuss significant audit issues as they arise. At the conclusion of services, we will jointly evaluate effectiveness and any recommendations for future changes.

Our communication with management will include the following:

- Personal interaction between the team serving the VCTC and management in the form of meetings, phone calls and emails. We like to be involved with clients throughout the year to help address ongoing issues that impact your operations. Our preferred communication is through face-to-face meetings, or at least phone conversations. We value your time and attempt to keep meetings relevant, appropriate and productive.
- Status updates as the engagement progresses with appropriate members of management through oral and written communications.
- Ongoing communication of important regulatory changes and accounting updates occurs via email, shortly after the changes are announced or finalized.
- Occasional webinars and seminars on topics of critical interest to our government clients will communicate important information for management to be aware of.

Under this communications approach, we'll discuss specific preferences you have in communicating with us including frequency and style. As we get to know your organization, our process will become increasingly customized to VCTC yet it'll still follow the framework we have put together as guidelines that our staff are expected to embrace as part of our service culture.

5. Price Proposal

EXPECTED FEES

Our fees are based on the complexity of the issue and the experience level of the staff members necessary to address it. If you request additional services, we will obtain your agreement on fees before commencing work, so there are no surprises or hidden fees.

We propose the following fees based on our understanding of the scope of work and the level of involvement of VCTC's staff:

Engagement Rates

Staff Level	Hours	Rate
Partner	10-20	\$240/hr.
Senior Manager/Manager	15-25	\$180/hr.
Senior Associate	5-15	\$135/hr.
Associate	15-40	\$115/hr.
Total	45-100*	-

**We estimated the total engagement to be between 45-100 hours, depending on the complexity of the leases, and similarity of terms across various leases.*

Engagement Services and Fees

GASB 87 Implementation Services	2021/2022
Inspection and listing of leases, including assistance inspecting leases for potential terms that trigger GASB 87 recognition	\$7,500 - 15,000
Journal entries and note disclosures – only for leases that meet criteria for reporting under GASB 87	\$300/lease subject to GASB 87

Billing Policy Regarding Telephone Inquiries

We know clients appreciate access to all their service team members. We embrace this opportunity for constant communication and will ensure our team members are available when you have questions and issues. This service is included in the scope of the engagement. If a particular issue surfaces that falls outside the scope of this engagement, we'll bring it to your attention and obtain approval before proceeding.

Insurance

Eide Bailly can meet all your insurance requirements. If awarded the work, we'll provide the appropriate certificates of insurance.



The Right Choice for Ventura County Transportation Commission

BUILDING A COLLABORATIVE RELATIONSHIP

To us, work is not just work; we see it as a chance to help you solve problems, achieve goals and pursue passions. After thoughtfully reviewing your needs and taking the time to understand your business, we think we are the best fit for this opportunity.

We can connect you with the knowledge, resources and solutions that help bring confidence to your business decisions. We want to work with you!

If you have questions or would like additional information, do not hesitate to contact us. We want to make sure you have everything you need to make your decision.



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We Want to Work with You

We are driven to help clients take on the now and the next with inspired ideas, solutions and results. We look forward to working with you.



Caring for our external and internal clients with a passion to go the extra mile.

Respecting our peers and their individual contributions.

Conducting ourselves with the highest level of integrity at all times.

Trusting and supporting one another.

Being accountable for the overall success of the firm,
not just individual or office success.

Stretching ourselves to be innovative and creative, while managing the related risks.

Recognizing the importance of maintaining a balance between work and home life.

Promoting positive working relationships.

And, most of all, enjoying our jobs ... and having fun!



What inspires you, inspires us.
eidebailly.com