

TOWN OF WINDSOR AGENDA REPORT

Joint Windsor Town Council, Windsor Redevelopment Successor Agency and Windsor Water District Meeting Date: April 1, 2026

To: Mayor and Town Council
From: Nick Walker, Administrative Services Director
Subject: Approve Professional Service Agreement for Auditing Services

Recommendation to Council:

Approve the Professional Services Agreement with Badawi & Associates, Certified Public Accountants for auditing services for the fiscal years ending June 30, 2026, through June 30, 2028, with the option to extend the contract an additional two (2) fiscal years ending 2030, in an amount not to exceed \$264,206 across the full length of the agreement.

Strategic Plan Element:

The recommended action supports the goal of Fiscal Health. Goal Statement: Ensure the economic health and long-term financial viability of the Town.

Background:

Municipalities in California are required to submit annual financial transaction reports to the California State Controller pursuant to Government Code section 53891 and, when applicable, to comply with the federal Single Audit Act and related requirements for the expenditure of federal funds. Consistent with these requirements and with recognized municipal finance best practices, the Town obtains an annual independent audit of its financial records and accounts and prepares audited financial statements in conformity with generally accepted accounting principles (GAAP). The purpose of the independent audit is to provide an annual examination of all Town funds and financial transactions in accordance with generally accepted auditing standards issued by the Auditing Standards Board of the American Institute of Certified Public Accountants; Government Auditing Standards issued by the Comptroller General of the United States; the Single Audit Act of 1984 and the Single Audit Act Amendments of 1996, when applicable; and applicable guidance issued by the U.S. Office of Management and Budget. Following completion of the audit, the independent auditor issues an opinion on the fair presentation of the Town's financial statements and reports addressing internal control over financial reporting and compliance with applicable laws, regulations, contracts, and grant requirements.

Independent auditors perform procedures related to internal control over financial reporting as part of their audit in accordance with Government Auditing Standards. They communicate any identified material weaknesses or significant deficiencies, along with recommendations for improvement, through required reports and, when appropriate, a management letter provided to Town management and the Town Council.

Additionally, the independent auditors remain available throughout the term of the contract to provide technical guidance on accounting, financial reporting, and compliance matters that may affect the Town's financial statements, while maintaining the independence required under applicable professional standards.

The Town has retained the certified public accounting firm Rogers Anderson Malody & Scott, LLP to perform its annual audit services on financial statements beginning with the year ended June 30, 2019. Their current agreement concluded with completion of the audit for fiscal year ended June 30, 2025. To support continued auditor independence and ensure the Town receives high-quality audit services and competitive pricing, the Government Finance Officers Association (GFOA) recommends that governments periodically evaluate the performance of their independent auditors.

Discussion:

In February 2026, the Town issued a Request for Proposals (RFP) for independent audit services to qualified public accounting firms.

The audit services proposals were evaluated by an Audit Services Proposal Review Committee comprised of the Administrative Services Director, Finance Manager, and a senior-level Accountant.

Each review committee member independently evaluated and scored the five proposals based on the established evaluation criteria. The committee then convened to compare results, discuss the proposals, and develop a final consensus ranking. Based on this evaluation process, the committee recommends selection of Badawi & Associates as the Town's independent auditor. The committee determined that the firm's qualifications best meet the Town's needs at this time.

Staff recommends authorizing the Town Manager to execute an agreement with Badawi & Associates for fiscal years ending June 30, 2026 through June 30, 2028 with the option to extend the contract an additional two (2) fiscal years ending 2029 and 2030.

Fiscal Impact:

The total fiscal impact of the proposed agreement will appropriate funds as follows:

Funding Source	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
General Fund 010 (50%)	\$24,882.50	\$25,629.00	\$26,397.50	\$27,189.00	\$28,005.00	\$132,103.00
Enterprise Funds 410 & 440 (25% ea)	\$24,882.50	\$25,629.00	\$26,397.50	\$27,189.00	\$28,005.00	\$132,103.00
Total	\$49,765.00	\$51,258.00	\$52,795.00	\$54,378.00	\$56,010.00	\$264,206.00

Environmental Review:

This action does not constitute a "project" within the meaning of California Environmental Quality Act (CEQA) Guidelines Section 15378 and requires no environmental review.

Attachment(s):

[1. Professional Services Agreement](#)

Prepared by:

Marcy Harrison
Finance Manager

Reviewed by:

Nick Walker
Administrative Services Director

Approved by:
Jon Davis
Town Manager