

THIRD AMENDMENT TO AGREEMENT FOR PROFESSIONAL SERVICES

THIS THIRD AMENDMENT TO AGREEMENT is made and entered into this _____ day of _____, 20____, by and between the City of Merced, a California Charter Municipal Corporation (“City”), and Eide Bailly, LLP, a Minnesota Limited Liability Partnership, (“Consultant”).

WHEREAS, City is required to employ a qualified independent auditor to perform annual audits of the City of Merced; and,

WHEREAS, City and Consultant have previously entered into an Agreement for Professional Services (“Agreement”) dated March 1, 2021; and,

WHEREAS, City and Consultant desire to amend said Agreement to provide for additional services in connection with said project.

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants hereinafter recited, agree as follows:

1. Section 22, “ADDITIONAL WORK,” is hereby added to the Agreement to read as follows:

Consultant shall perform the additional work outlined in the proposal from Consultant to City dated December 30, 2024, attached hereto as Exhibit “A”.

2. Section 23, “ADDITIONAL COMPENSATION,” is hereby added to the Agreement to read as follows:

City shall pay to Contractor the not to exceed additional sum of Nine Thousand One Hundred Twenty Dollars (\$9,120) for the additional work as described in the Exhibit “A” bringing the total contracted amount to \$242,970.

3. Except as herein amended, the Agreement dated March 1, 2021, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this Third Amendment to Agreement to be executed on the date first above written.

CITY OF MERCED
A California Charter Municipal
Corporation

BY: _____
D. Scott McBride
City Manager

ATTEST:
D. SCOTT MCBRIDE, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

APPROVED AS TO FORM:
CRAIG J. CORNWELL, CITY ATTORNEY

BY: Craig Cornwell 11/17/2025
City Attorney Date

ACCOUNT DATA:
M. VENUS RODRIGUEZ, FINANCE OFFICER

BY: _____
Verified by Finance Officer

CONTRACTOR

BY: James W. Ramsey
(Signature)

JAMES W. RAMSEY
(Typed Name)

Its: PARTNER
(Title)

BY: _____
(Signature)

(Typed Name)

Its: _____
(Title)

Taxpayer I.D. No. _____

ADDRESS:

TELEPHONE: _____

FAX: _____

E-MAIL:



CPAs & BUSINESS ADVISORS

December 30, 2024

City of Merced, California
Mr. Venus Rodriguez, Finance Officer
678 W 18th Street
Merced, California 95340

Re: Amendments due to the additional audit procedures for the inclusion of the Successor Agency into the financial statements

Dear Ms. Rodriguez,

We appreciated the opportunity to serve the City of Merced ("the City") as the independent auditor. This letter is intended to communicate the additional audit procedures that we are required to perform in relation to the audit of the City's financial statements and will require amendment to the contract for audit services.

The explanation for the amendment, impact and additional estimated fees are as described below:

- Audit of the Merced Designated Local Authority, as Successor Agency to the Redevelopment Agency of the City of Merced (Successor Agency).

Based on the audited financial statement provided from the fiscal year ended June 30, 2023, we expect to add an additional 40 hours which includes the following procedures:

- Meeting with the predecessor auditor and reviewing their workpapers,
- Obtaining an understanding of the agency,
- Preparing confirmations for cash, debt, and revenues (as applicable),
- Following up with Successor Agency legal counsel regarding the status of litigation and the organization,
- Performing standard auditing procedures over non-confirmed balances and transactions, and
- Incorporating the required statements, schedules, and footnotes into the financial statements of the City.

Should the City choose to also have separate financial statements for the Successor Agency issued, outside of the City's basic financial statements, we expect this to take up to 24 hours for drafting and review.

Our fees are estimated as follows:

Audit Engagement

	Hours	Hourly Rate	Total Fees
Partners	12	\$ 300	\$3,600
Managers	-	200	-
Supervisory Staff (Senior)	4	120	480
Professional Staff	<u>24</u>	90	<u>2,160</u>
Total Labor	40		6,240
Successor Agency Drafting (Optional)	<u>24</u>	120	<u>2,800</u>
Total with Options	<u>64</u>		<u>\$9,120</u>

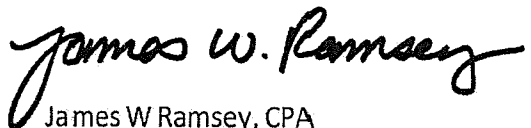
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EXHIBIT A

As such, we respectfully request a contract amendment equal to **\$6,240** cover the additional costs for the financial statement audit. Should the City want a stand-alone report for the Successor Agency, please note that this would be an additional contract amendment for **\$2,880**. Should our estimated time required for the additional procedures change significantly due to additional errors/exceptions or difficulty in reconciling the information provided, this may change our additional estimated fee.

Please feel free to call me if you have questions.

Sincerely,

A handwritten signature in black ink that reads "James W. Ramsey". The signature is written in a cursive, flowing style.

James W Ramsey, CPA

Partner

Eide Bailly LLP