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**BOARD FINANCE COMMITTEE MEETING  
WEDNESDAY JUNE 28, 2023, at 12:30 PM**

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## **AGENDA**

Public comments may be submitted via email to Interim General Manager, Rene Ramirez, at [rramirez@midpeninsulawater.org](mailto:rramirez@midpeninsulawater.org)

Please indicate in your email the agenda item to which your comment applies.

Comments submitted before the meeting will be provided to the Board before or during the meeting. Comments submitted after the meeting is called to order will be included in the correspondence that will be provided to the full Board.

This meeting will be conducted in-person, at the District's 1075 Old County Road, Suite A offices. The public may participate in-person or remotely via Zoom.

The zoom meeting link is available here: <https://www.midpeninsulawater.org/zoom>

Should Zoom not be operational, please check online at: [www.midpeninsulawater.org](http://www.midpeninsulawater.org) for any updates or further instruction.

**1. Call to Order**

A. Roll Call

**2. Public Comment**

*If you wish to address the Committee, please follow the directions at the top of the agenda. If you have anything that you wish distributed to the Committee and included for the official record, please include it in your email. Comments that require a response may be deferred for staff reply.*

**3. Discussion of District Auditor Proposals and Recommendation**

**4. Discussion of Monthly Expenditure Report**

**5. Adjournment**

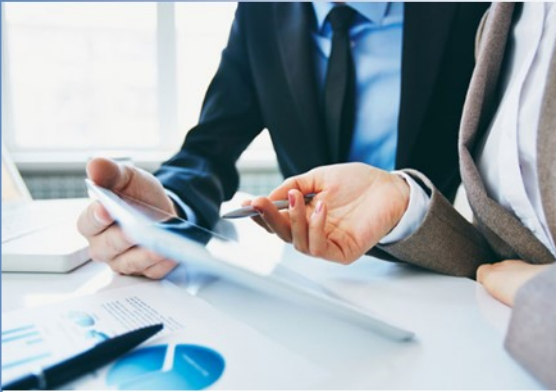
This agenda was posted at the Mid-Peninsula Water District's office, 1075 Old County Road, in Belmont, California, and on its website at [www.midpeninsulawater.org](http://www.midpeninsulawater.org).

ACCESSIBLE PUBLIC MEETINGS

*Upon request, the Mid-Peninsula Water District will provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation (including auxiliary aids or services), to enable individuals with disabilities to participate in public meetings and provide comments at/related to public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, auxiliary aid, service or alternative format requested. Requests should be sent to the Interim General Manager at (650) 591-8941 or [rramirez@midpennsulawater.org](mailto:rramirez@midpennsulawater.org). Requests must be received at least two days before the meeting. Requests will be granted whenever possible and resolved in favor of accessibility.*

### Summary of Auditor Firm Proposals Received

Firm	Cost	Schedule	Team Experience	Firm Size/Location
CJ Brown	2023 \$23,705 2024 \$23,705 2025 \$23,705 2026 \$24,887 2027 \$24,887  196 hours	Typical year: March – January 1  First year, starting in Aug.	Engagement partner ~23 years  Westborough WD, CCWD, Oakdale Irrigation District, Solano ID	Cypress and Riverside, CA  Firm audits over 50 governmental special districts in the State of California
Eadie Payne	2023 \$25,995 2024 \$26,640 2025 \$27,310 2026 \$28,000 2027 \$28,700  180 hours	Aug 2023-Jan 2024	Engagement partner – 16 yrs experience, all gov. listed.  Provides So Cal agencies as references	Riverside, CA, 90+ years  20 professionals, 10 of which focus on government
Mun CPAs	2023 \$29,600 2024 \$29,600 2025 \$29,600 2026 \$29,600 2027 \$29,600  226 hours	Per our RFP	Engagement partner – 26 yrs experience, Have 30 gov clients, 11 of which are water  Provided references are all in the Tahoe area	Sacramento, CA; 20 years  65 professionals
Vasquez	2023 \$41,000 2024 \$42,230 2025 \$43,497 2026 \$44,802 2027 \$46,146  Hours unspecified	Not specified	Years of experience for team members not provided	Glendale, CA  200+ professionals



**Certified  
Public  
Accountants**



**Consultants  
& Advisors**



# **Mid-Peninsula Water District**

## **Proposal to Provide Audit Services**

**For the Years Ending  
June 30, 2023 through 2025 and  
Optional Years June 30, 2026 and 2027**

**Christopher J. Brown CPA, CGMA  
Jonathan P. Abadesco, CPA**

10805 Holder Street, Suite 150  
Cypress, California 90630

5051 Canyon Crest Drive, Suite 203  
Riverside, California 92507

**Phone:** (657) 214-2307  
**Email:** [chris@cjbrowncpa.com](mailto:chris@cjbrowncpa.com)



**C.J. Brown & Company, CPAs  
An Accountancy Corporation**

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# C.J. Brown & Company CPAs

## An Accountancy Corporation

Christopher J. Brown, CPA, CGMA  
Jonathan Abadesco, CPA  
Jeffrey Palmer

**Cypress Office:**  
10805 Holder Street, Suite 150  
Cypress, California 90630  
(657) 214-2307

**Riverside Office:**  
5051 Canyon Crest Drive, Suite 203  
Riverside, California 92507  
(657) 214-2307

May 17, 2023

Mid-Peninsula Water District  
1075 Old County Road, Suite A  
Belmont, CA 94002  
ATTN: Ms. Kathryn Wuelfing, Assistant General Manager

### **Re: Request for Proposal for Audit Services**

Dear Ms. Wuelfing:

We appreciate the opportunity to submit our proposal to provide annual professional auditing services for the Mid-Peninsula Water District (District) for the fiscal years ending June 30, 2023, through 2025, and optional fiscal years ending 2026 and 2027.

In response to your inquiry of C.J. Brown & Company, CPAs – An Accountancy Corporation (Firm), we have prepared a proposal that reflects our understanding of the District audit service requirements and that demonstrates our capability and commitment to serve. Our goal is to build a strong partnership with the District and demonstrate the highest levels of client service.

We understand that you expect a timely audit service conducted in a professional manner in accordance with audit service standards specific to governmental entities such as yours. We are committed to meet all the requirements you have indicated, and we will issue the reports and meet the timing requirements you have requested. We believe we are uniquely qualified to provide the quality and scope of service that the District desires.

#### ***Focused on the Special District Industry***

Our client service team members are specialists in the governmental special district sector. This means they each focus a substantial portion of their time serving special district governmental clients. We know and understand your organization and the climate within which you work.

**Our Firm audits over 50 governmental special districts in the State of California; as a result, this enables our Firm to continuously be immersed in the governmental, financial, and operational issues related to special districts.**

#### ***Organized to Serve***

Our service approach ensures that the District will receive the highest quality, personalized service when and where you need it. By tailoring our approach, we guarantee that the District will receive timely and attentive service that forms the hallmark of our approach to serving clients. **Our governmental audit and consulting practice accounts for a substantial portion of our Firm's annual services.** Therefore, we have made a substantial commitment and investment to serve our governmental clients.

Ms. Kathryn Wuelfing, Assistant General Manager  
Mid-Peninsula Water District  
May 17, 2023  
Page 2

***Organized to Serve, continued***

While our governmental experience is substantial, it is not the only factor that sets us apart from other firms; moreover, it is the commitment to utilize our resources and experience for the benefit of our clients.

Our approach to the engagement will be to establish a delivery system for providing a truly exceptional level of service. Each element of that system including staffing, audit approach, communication, and coordination will be examined and refined to fit the needs of the District. The hardest to quantify may be the relationship aspect of working with one professional service firm versus another. Because of the service delivery approach, we are recommending and our history of working with many special district governmental units like the District, we are confident that our Firm knows how to address the unique needs of the District.

**Our staff members assigned to the District are experienced governmental professionals that have managed numerous audits and attest engagements. We have assisted in the initial preparation and successful submission of many clients' Annual Comprehensive Financial Reports for the GFOA Award Program.** Each of our staff has extensive experience that allows for a new outlook with innovative suggestions to improve quality and efficiency. We believe that our references will show that we are the best selection for the District. The choice of an audit firm should be based upon several factors including, but not limited to, staff retention, training programs, proactively addressing governmental industry changes, and adherence to a strict quality control program.

We are confident that we will provide the District with consistent staffing over the contract period as the continuity of staff is as important to us as it is to the District. We will be committed to the District and believe that our audit engagement team is the best selection for the District.

Our proposal and fee schedule shall be valid and binding for 90 days following the proposal due date and will become part of the contract that is negotiated with the District.

C.J. Brown & Company, CPAs – An Accountancy Corporation

Address:	10805 Holder Street Suite 150 Cypress, CA 90630	5051 Canyon Crest Drive Suite 203 Riverside, CA 92507
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Website (in the process of being updated to C.J. Brown & Company, CPAs):  
[www.fedakbrownllp.com](http://www.fedakbrownllp.com)

Phone Number: (657) 214-2307

Email: [chris@cjbrowncpa.com](mailto:chris@cjbrowncpa.com)

You may contact, Jonathan Abadesco or Christopher Brown if you have any questions or need additional information. Christopher Brown will be your primary contact during the proposal evaluation period. He may be reached at (657) 214-2307, or by e-mail at [chris@cjbrowncpa.com](mailto:chris@cjbrowncpa.com).

We look forward to hearing from you soon.

Cordially,



**C.J. Brown & Company, CPAs – An Accountancy Corporation**

## Statement of Understanding

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### Audit Engagements

Our audits will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to audits contained in the Government Auditing Standards issued by the Comptroller General of the United States. The audit engagements will be comprised of the elements enumerated in the District's Request for Proposal including:

- 1. Audit of the Basic Financial Statements of the District and assistance in the Preparation of the Audited Financial Statements (Auditor's Report);**
- 2. Preparation of Management Reports (which includes the Communications to those Charged with Governance per Statement of Auditing Standards Statement No. 114) for the District;**
- 3. Preparation of the Annual Financial Transactions Report for the District, including submission to the State Controller's Office;**
- 4. Attendance at Meetings and Presentation to the Board of Directors; and**
- 5. Provide guidance, training, and technical assistance to the District in implementing Governmental Accounting Standards issued, including Annual Accounting Update Session (as required)**

### *Timing of Our Procedures*

We understand that the District is looking for value in the professional relationship they have with their auditors. Value comes from the knowledge, experience, and dedication that our Firm employs. We stress employs because all of the knowledge and expertise shown on paper will reap no benefit to you unless it is applied. This application equates to time well spent. We have developed an audit plan that we feel will accomplish the objectives of the District and will meet your special needs.

In order to accomplish our audit objectives and meet your deadlines for delivery, the sequence and timing of our procedures are critical. The Schedule below highlights our expected timeline which will be mutually agreed with the District every year. We understand that the fiscal year 2023 audit will start approximately August 11, 2023.

### Schedule of Deliverables


March - April	Engagement Planning
April - June	Interim Field Work (Test of Controls, Risk Assessment) and Initial Conference
June	Send Prepared by Client (PBC) listing
August – Mid-September	Year-End/Final Fieldwork
November	Provide Draft Financial Statements and Management Report.
December	Provide Final Reports and Present to the BOD
By January 31st	Prepare and file the Annual Financial Transactions Report to the State Controller's Office



**Firm Provided Affirmations**

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- A. C.J. Brown & Company, CPAs – An Accountancy Corporation affirms that the Firm and all key professional staff are properly registered and licensed or supervised by certified public accountants in good standing duly authorized to practice in the State of California.
- B. C.J. Brown & Company, CPAs – An Accountancy Corporation affirms that the Firm is independent of the District, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial and compliance audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States.
- C. C.J. Brown & Company, CPAs – An Accountancy Corporation affirms that the Firm currently maintains errors and omissions insurance coverage in the aggregate amount of one million dollars and general liability coverage of two million dollars. The Firm will provide the required insurance coverage and Accord insurance form to the District upon acceptance of the audit engagement.
- D. C.J. Brown & Company, CPAs – An Accountancy Corporation affirms that it has the necessary experience to conduct high-quality audits of local government and enterprise special districts and agencies in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial and compliance audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States and the Single Audit Act. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).
- E. C.J. Brown & Company, CPAs – An Accountancy Corporation affirms that it will meet your timing requirements to begin and complete the audit of the District.
- F. C.J. Brown & Company, CPAs – An Accountancy Corporation affirms that senior staff scheduled on the audit of the District are experienced personnel and that no person designated as “key” to the project shall be removed or replaced without the prior written consent of the District.
- G. C.J. Brown & Company, CPAs – An Accountancy Corporation affirms that it has never been the subject of any lawsuits, claims of fraud, malpractice and/or disciplinary action by any State or Federal District in relation to the Firm’s governmental practice in its entire existence.
- H. C.J. Brown & Company, CPAs – An Accountancy Corporation affirms that it has not been censured or disciplined from the State Board of Accountancy.
- I. C.J. Brown & Company, CPAs – An Accountancy Corporation affirms that it will allow the District or their designee access to pertinent District audit work papers, financial reports, and management letters.
- J. C.J. Brown & Company, CPAs – An Accountancy Corporation affirms that it has never filed bankruptcy, there is no pending litigation against the Firm, there are no planned office closings, there are no impending mergers, and there are no potential labor disputes that may impede us the ability to complete the audit for the District.

Signature of Authorized Official: 

Name: Christopher J. Brown, CPA CGMA

Title: President

Firm: C.J. Brown & Company, CPAs – An Accountancy Corporation

Date: May 17, 2023

## Firm Qualifications, Experience and References

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C.J. Brown & Company, CPAs – An Accountancy Corporation, is a full-service firm licensed to practice in the State of California providing accounting, audit, and consulting services for governmental and commercial enterprises, throughout the State of California. Our Governmental Services personnel are currently comprised of six senior professionals with extensive experience in governmental accounting, auditing, and additional reserve staff available on an as needed basis. The Firm maintains an office in Cypress, and Riverside, California.

Your main contact will be Mr. Jonathan Abadesco. Our contact information can be located on our letterhead. All of the work for the District will be staffed directly out of our Riverside office and will not be subcontracted to any other firm.

Our Firm is fully automated in-house and utilizes current technology and software on all audit engagements. We utilize CCH ProSystems *fx* Engagement ® and Knowledge Coach Audit Software.

C.J. Brown & Company, CPAs – An Accountancy Corporation is an equal opportunity employer and certifies that our Firm is in compliance with the Civil Rights Act of 1964, the State Fair Employment Practice Act, and all other applicable federal and state laws and regulations relating to equal opportunity employment, including Executive Order No. 11246 of September 24, 1965. Our Firm is committed to affirmative action in hiring practices.

### ***Professional Education***

It is a requirement of the State Board of Accountancy for all public accounting firms who are involved in governmental auditing to allocate a specific portion of continuing education in governmental accounting and auditing every two years. The Firm has met this requirement for all staff involved with governmental accounting and auditing. Our Firm's strict adherence to these continuing professional education standards ensures the highest quality of staff assigned to the District audits over the term of our agreement. Our Firm also requires that all personnel at all organizational levels adhere to the independence rules, regulations, interpretations, and rulings of the AICPA, California State Society of CPAs, State Board of Accountancy, State Statute, and in some cases, the Securities and Exchange Commission and other regulatory agencies. Our Firm strictly follow the requirements of Government Code Section 12410.6(b) regarding auditor rotation requirements of public accounting firms providing audit services to local agencies. The Firm is not the object of any disciplinary action in its entire existence.

### ***Quality Control***

The Board of Directors of the District can measure the quality of the opinions expressed by the Firm by evaluating the level of professional standards maintained by our Firm as discussed in this proposal. The Board of Directors can also measure the performance and quality control of our Firm by evaluating our participation in the profession's peer review process as well as evaluating our Firm's professional standards and quality of work ethic in discussions with our Firm's current client base in the special district industry.

Using guidelines established by the AICPA, the Firm has designed and implemented an effective quality control system to ensure that our accounting and auditing work conforms to professional standards. **C.J. Brown & Company, CPAs – An Accountancy Corporation is in the process of transitioning the operations of Fedak & Brown LLP into the Firm and expects to undergo Peer Review in June 2023.** We have included the last peer review report from Fedak & Brown LLP which provides a *Pass with deficiency* opinion on the next page.

## Firm Qualifications, Experience and References, continued



### Report on the Firm's System of Quality Control

June 8, 2022

To the Owners of  
Fedak & Brown LLP and the Peer Review Committee of the CA Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Fedak & Brown LLP (the firm) in effect for the year ended September 30, 2021. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

#### Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

#### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

#### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

#### Deficiencies Identified in the Firm's System of Quality Control

We noted the following deficiencies during our review:

1. The firm's policies and procedures require that all work be performed and documented in accordance with professional standards and that a proper review by the engagement partner take place before the reports are released. Due to time constraints caused by the Pandemic and numerous personnel changes, including at the Partner level, engagements were not given the proper focus and attention needed. As a result, we noted the following: a) On an Audit of a Not-for-Profit organization, we noted that the functional expenses were presented as Supplemental Information instead of on the Statement of Activities or in the notes to the financial statements as required and we noted that accounts receivable confirmations were not requested, and the auditor did not document how the presumption for these requests was overcome; b) On the compliance audit under the Single Audit Act, we noted that the firm selected different requirements as being direct and material than those listed in the applicable Compliance Supplement; and c) On an Audit and a Review, we noted the failure to consider the new Revenue Recognition standard. In our opinion, these contributed to a compliance audit under the Single Audit Act, an audit of a Not-for-profit organization, and a Review engagement that did not conform to professional standards in all material respects. Of lesser significance, yet a result of the same systemic cause, we noted that while the firm performed a fair amount of work for obtaining an understanding of internal control on the audits, we found they inappropriately relied on inquiries of personnel for some procedures.

2. Statements on Quality Control Standards require that firms monitor their quality control system to provide assurance that the policies and procedures established by the firm are suitably designed and effectively applied. During our review, we noted that although the firm's policies and procedures require monitoring procedures, they were not performed as required. As a result, the firm was not in compliance with the monitoring element of the Quality Control Standards.

#### Opinion

In our opinion, except for the deficiencies previously described the system of quality control for the accounting and auditing practice of Fedak & Brown LLP in effect for the year ended September 30, 2021, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Fedak & Brown LLP has received a peer review rating of *pass with deficiencies*.

Heidenreich & Heidenreich, CPAs, PLLC

### ***Experience and Technical Competence***

We have prepared a listing of some of our governmental audit clients on the next page. We believe this listing exemplifies that we have significant experience in conducting high-quality audits of local governments and enterprise special Districts. Our governmental audit team has significant experience in auditing special district governmental agencies and our team members may have conducted some of these audits over the past year (see next page).

Firm Qualifications, Experience and References, continued

The following is a listing of some of our Governmental Special District Clients that our Audit Teams are currently serving!

**Los Angeles County**

49-99 Cooperative Library System  
Antelope Valley Watermaster  
Gateway Water Management Authority  
Greater Los Angeles County Vector Control District  
Green Valley County Water District  
Inland Library System  
Los Angeles County West Vector Control District  
La Puente County Vallley Water District  
Los Cerritos Wetlands Authority  
Palos Verdes Library District  
Peninsula Friends of the Library  
Pomona Walnut Rowland Joint Water Line Commission  
Puente Basin Water Agency  
Quartz Hill Water District  
San Gabriel Valley Municipal Water District  
Santiago Library System  
Serra Cooperative Library System  
Spadra Basin Groundwater Sustainability Agency  
Southern California Library Cooperative  
Walnut Valley Water District  
Valley County Water District

**Riverside County**

Cabazon Water District  
Coachella Valley Desert and Mountains RC Authority  
Coachella Valley Mosquito and Vector Control  
Desert Recreation District  
Edgemont Community Services District  
Fern Valley Water District  
High Valleys Water District  
Lake Hemet Municipal Water District  
Lake Elsinore and San Jacinto Watersheds Authority  
Idyllwild Fire Protection District  
Lake Hemet Municipal Water District  
Northwest Mosquito and Vector Control  
Palo Verde Valley Library District  
Santa Ana Watershed Project Authority  
Santa Ana River Water Company

**Santa Barbara County**

Santa Maria Public Airport Authority

**San Bernardino County**

Bighorn Desert View Water Agency  
Cabazon Water District  
Chino Basin Water Conservation District  
Chino Basin Watermaster  
Helendale Community Services District  
Joshua Basin Water District  
Mojave Desert Air Quality Management District  
Monte Vista Water District  
Phelan Pinon Hills Community Services District

**Kern County**

Bear Valley Community Services District  
Indian Wells Valley Water District  
Rand Community Services District

**San Diego County**

Vista Fire Protection District

**Ventura County**

Piru Cemetery District

**Northern California/ Bay Area**

Aromas Water District  
Avila Beach Community Services District  
Butte County Mosquito and Vector Control District  
Central Water District  
Coastside County Water District  
Fresno Irrigation District  
Granada Community Services District  
June Lake Public Utilitiies District  
North Marin Water District  
McKinleyville Community Services District  
Oakdale Irrigation District  
Pajaro Valley Water Management Agency  
San Lorenzo Valley Water District  
Shasta Mosquito and Vector Control District  
Solano Irrigation District  
Solano Water Authority  
South Feather Water and Power Agency  
Trout Gulch Mutual Water Company  
Tri-Dam Power Authority  
Tri-Dam Project  
Westborough Water District

## Firm Qualifications, Experience and References, continued

### References

Presented below are five significant engagements performed in the last three years similar to the engagement described in this Request for Proposal. Please do not hesitate to contact these references regarding our Firm and the high level of service we provide. We will be happy to provide additional references for your review.

1. Ms. Patricia Mairena, General Manager <b>Westborough Water District</b> 2263 Westborough Boulevard South San Francisco, CA 95361	<b>Water District</b> Annual Audit – Financial Statements 650.589.1435
2. Ms. Mary Rogren, General Manager <b>Coastside County Water District</b> 766 Main Street Half Moon Bay, CA 94019	<b>Water District</b> Annual Audit – Financial Statements 650.726.4405
3. Ms. Sharon Cisneros, CFO <b>Oakdale Irrigation District</b> 1205 East F Street Oakdale, CA 95361	<b>Irrigation District</b> Annual Audit – Financial Statements 209.840.5501
4. Ms. Cammie Morin, Finance Director <b>Solano Irrigation District</b> 810 Vaca Valley Parkway, Suite 201 Vacaville, CA 95688	<b>Irrigation District</b> Annual Audit – Financial Statements 707.455.4008
5. Ms. DeAnn Hailey, Controller/CFO <b>Fresno Irrigation District</b> 2907 South Maple Avenue Fresno, CA 93725	<b>Irrigation District</b> Annual Audit – Financial Statements 559.233.7161

## Proposed Staffing and Project Organization

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### *Summary Qualification of Key Personnel*

Our Firm's philosophy is to take a team approach with our clients in conducting our audit engagements. A properly developed, mutually agreeable timeline results in the most efficient engagement. We want you to not only think of us as your auditor, but as a resource to be used whenever the need occurs. Also, it is our Firm's philosophy to have our partners, audit managers and audit supervisors involved in the day-to-day audit details of our clients.

You will have an Engagement Partner as well as a Technical Review Partner, a field audit Partner/Manager assigned to the District audits; in addition, one or more staff accountants will be assigned to the audit. All team members work in the field while the audit fieldwork is in process. Each team member has the following responsibilities:

The engagement partner is responsible for all services provided to the District. The engagement partner's responsibilities consist of the overall planning, supervision and review of the audit test work, and preparation of the audit report.

The audit supervisor is responsible for coordinating the audit test work, which includes the on-site supervision of staff, and preparation of the audit report.

Once audit test work is completed, the field audit partner/manager will work with the audit team to complete the reports for the District for all recipients. The engagement partner will be your contact throughout the engagement year.

Prior to discussions with your staff, the field audit partner/manager, in collaboration with audit staff, will make sure that all facts have been evaluated to minimize utilizing your staff's time for audit assistance purposes.

### *Knowledge and Understanding of Local Environment*

The engagement team members strive to be experts within the governmental sphere. We keep ourselves apprised of current issues affecting the District operating environment.

### *Partner Participation*

The partner in charge of the audit will be available to attend meetings of the District's Finance Committee and the Board of Directors to discuss and report on the audit process and the deliverables associated with the audit. We will provide the District with accounting advice regarding subjects that could affect the report, particularly those that will directly impact its recipients.

## Proposed Staffing and Project Organization, continued

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### **JONATHAN P. ABADESCO, CPA TECHNICAL REVIEW PARTNER**

Education:	Bachelor of Science in Accountancy – Miriam College Foundation, Inc., Philippines 1999
License:	Certified Public Accountant – 2012
Continuing Education	Total hours were 82 hours in last two years of which 32 were in governmental accounting and auditing subjects. Mr. Abadesco has the Governmental Auditing Standards requirement for governmental CPE.
Memberships	California Society of Certified Public Accountants American Institute of Certified Public Accountants Government Finance Officers Association California Society of Municipal Finance Officers Association
Experience	<p>Jonathan P. Abadesco is a CPA in the State of California and has over twenty years of experience in public accounting and auditing governmental entities having worked at a national firm. He has served as the Assistant General Manager – Administration/CFO for a governmental special district (Hi-Desert Water District) and as a CFO/Controller for a not-for-profit (Inland Counties Legal Services).</p> <p>Mr. Abadesco’s public accounting experience includes tenure with CPA Firm, Ernst &amp; Young and PricewaterhouseCoopers. He is involved in performing financial, compliance and performance audits of governmental and non-profit entities, as well as medium to large global organizations. Has thorough knowledge in Generally Accepted Accounting Principles, Governmental Accounting, and Auditing Standards as well as the Single Audit Act of 1984 and the Uniform Guidance.</p> <p>While working with his previous CPA firm, Mr. Abadesco was instrumental in preparing the agreed upon procedures that was utilized by the U.S. Department of Energy. Also, Mr. Abadesco has provided significant audit, accounting and consulting services to various governmental entities engaged in transportation including Los Angeles County Metropolitan Transportation Authority, Metro Gold Line Foothill Extension Construction Authority, Los Angeles Department of Transportation and Metropolitan Atlanta Rapid Transportation Authority.</p> <p>He has been involved on the following governmental special districts engagements:</p> <ul style="list-style-type: none"><li>➤ Monte Vista Water District</li><li>➤ Joshua Basin Water District</li><li>➤ Oakdale Irrigation District</li><li>➤ Santa Clarita Valley Water Agency</li><li>➤ Soquel Creek Water District</li><li>➤ Lake Hemet Municipal Water District</li><li>➤ San Lorenzo Valley Water District</li><li>➤ Scotts Valley Water District</li><li>➤ Coachella Valley Mosquito and Vector Control District</li><li>➤ Chino Basin Watermaster</li><li>➤ Vista Fire Protection District</li><li>➤ Los Angeles Gateway Region Integrated Regional Water Management Joint Powers Authority</li></ul>

## Proposed Staffing and Project Organization, continued

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### **CHRISTOPHER J. BROWN, CPA, CGMA ENGAGEMENT PARTNER**

Education:	Bachelor of Arts - Business Administration: Finance – California State University, San Bernardino 1995  Accountancy – California State University, San Bernardino 1999
License:	Certified Public Accountant – 2002
Continuing Education	Total hours were over 90 hours in the last two years of which 32 were in governmental accounting and auditing subjects. Mr. Brown has the Governmental Auditing Standards requirement for governmental CPE.
Memberships	California Society of Certified Public Accountants American Institute of Certified Public Accountants Government Finance Officers Association California Society of Municipal Finance Officers Association
Experience	<p>Christopher J. Brown is a CPA in the State of California and has over eighteen years of experience in public accounting and auditing governmental entities having worked at a national firm. Mr. Brown holds a Bachelor’s Degree from California State University, San Bernardino. He has extensive experience in the areas of governmental financial and compliance reporting.</p> <p>Member of Board of Directors – Treasurer, Riverside County Philharmonic</p> <p>Mr. Brown’s public accounting experience includes tenure with CPA firm RSM. He is also involved in auditing governmental and non-profit entities as well as medium to large manufacturing, construction and service oriented corporations. Has thorough knowledge in Generally Accepted Accounting Principles, Governmental Accounting, and Auditing Standards as well as the Single Audit Act of 1984 and the Uniform Guidance.</p> <p>Mr. Brown has provided significant audit and accounting services to various governmental entities. In these accounting engagements, he has been involved in the strategic planning processes, design and implementation of policies and procedures. He has also been involved in the implementation of performance management budgeting and planning processes.</p> <p>He is currently involved on the following major governmental engagements:</p> <ul style="list-style-type: none"><li>➤ North Marin Water District</li><li>➤ Victor Valley Wastewater Reclamation Authority</li><li>➤ Solano Irrigation District</li><li>➤ Oakdale Irrigation District</li><li>➤ Tri-Dam Project &amp; Tri-Dam Authority</li><li>➤ Hi-Desert Water District</li><li>➤ Indian Wells Valley Water District</li><li>➤ Joshua Basin Water District</li><li>➤ Santa Maria Public Airport District</li><li>➤ Phelan Pinon Hills Community Services District</li><li>➤ Helendale Community Services District</li><li>➤ Bear Valley Community Services District</li></ul>



## Proposed Staffing and Project Organization, continued

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### JEFF PALMER AUDIT SUPERVISOR

Education:	Bachelor of Science – Business Administration: Accountancy & Finance – California State University, Long Beach 2005
License:	In Process
Continuing Education	Total hours were 80 hours in last three years of which 32 were in governmental accounting and auditing subjects. Mr. Palmer meets the Governmental Auditing Standards requirement for governmental CPE.
Memberships	California Society of Certified Public Accountants
Experience	<p>Over fourteen years of experience in public accounting and auditing of governmental, private, and non-profit entities. Relevant governmental experience includes cities, special districts, airports, transportation agencies, and public financing authorities. He has extensive experience in conducting financial audits under GAO Yellow Book standards and compliance single audits in accordance with the Single Audit Act of 1984 and the Uniform Guidance. He has assisted clients in implementation and publishing their Comprehensive Annual Financial Reports in compliance with GFOA requirements.</p> <p>Mr. Palmer has provided significant audit, accounting, and consulting services to various governmental entities. In these accounting and auditing engagements, he has been involved in the strategic planning processes, design and implementation of policies and procedures, performance management budgeting and planning processes, financial reviews, and cash management practices. In these consulting engagements, he has provided services including franchise tax compliance reviews, excise tax compliance and reporting reviews, and enterprise utility tax-exempt purchasing reviews.</p> <p>He has been involved on the following governmental special districts engagements:</p> <ul style="list-style-type: none"><li>➤ North Marin Water District</li><li>➤ Walnut Valley Water District</li><li>➤ La Puente Valley County Water District</li><li>➤ Monte Vista Water District</li><li>➤ Crescenta Valley Water District</li><li>➤ Orange County Water District</li><li>➤ Indian Wells Valley Water District</li><li>➤ Westborough Water District</li><li>➤ Coastside County Water District</li><li>➤ Mojave Water Agency</li><li>➤ Bighorn Desert View Water Agency</li><li>➤ Santa Maria Public Airport District</li><li>➤ Phelan Pinon Hills Community Services District</li><li>➤ Helendale Community Services District</li><li>➤ Bear Valley Community Services District</li></ul>

## Proposed Approach and Work Plan

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### *Specific Audit Approach*

Our Firm's audit approach is tailored to each client in the following manner:

- We understand the significant work requirements of our clients. We work with our clients' schedules when scheduling segments of the audit or requesting documentation to minimize disruption during the audit process.
- We strive to utilize support already prepared by our clients to avoid duplication or unnecessary requests for audit supporting schedules.
- We have implemented a paperless audit process that utilizes CCH ProSystems fx Engagement ® and Practitioners Publishing Company software packages. These platforms provide for greater efficiency within the audit process. In addition, we fully embrace the utilization of data extraction capabilities within a client's reporting system to further increase efficiency and reduce demands on client staff time.
- Our staff is trained and familiar with government accounting and audit concepts, so you will see the difference in working with our professional staff.
- We audit various large and small governmental organizations, allowing us to consult with our clients on implementing various best-practices in their organizations.
- We believe that regular communication is the most important part of the audit process; as a result, we ask that if you ever have any questions about any financial, accounting, or audit issues, please contact us anytime throughout the year.

### *Interim Audit Planning and Testwork*

Planning is necessary to ensure a quality audit, efficient use of professional staff and timely delivery of reports. Adequate planning of the audit is essential to minimize disruption of the ongoing daily operations of the District and their recipients. We have developed a comprehensive, efficient planning process. We will begin the planning of the audit upon notification of award of the contract.

Tasks to be accomplished during the planning phase include:

- Conducting an Audit Entrance Conference with the District Board of Directors and management to discuss the scope and timing of the audit test work, the availability of the District accounting staff, prior audit problems encountered, the extent of interim audit test work to be performed, the establishment of a liaison for the audit, and the arrangements for workspace and other needs to conduct the audit test work.
- Reviewing the Board minutes, agreements/contracts, and applicable strategy for the audit period.
- Interviewing finance staff regarding internal controls.
- Discussing the status of prior year's audit findings, if any.
- Review of the District internal control structure and communication of recommendations to the District management team concerning District policies and procedures.
- Tests of controls of audit areas to determine the effectiveness of the District internal control structure. (Minimum of 25 selections per area – revenue, expenses, payroll, bank reconciliations)
- Evaluation of any unusual items noted from our analytical procedures.
- Reviewing of important contracts, debt issues, leases and joint power agreements.

## Proposed Approach and Work Plan, continued

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### *Interim Audit Planning and Testwork, continued*

- Providing the District with suggestions regarding the closing of the District books after year end. Our assistance and communication in the closing of the District books is expected to minimize the number of audit adjustments required after the close of District books.

After we obtain an understanding of the District internal controls, evaluate their design and implementation and perform our interim test work we will determine the nature, scope, and timing for our final audit test work.

### *Final Audit Test Work*

After the final closing of the District books and preparation of final trial balances and audit supporting schedule by District personnel, we will commence performing our *final audit testwork*.

Our final examination will include analysis of critical audit areas which we deem necessary, including:

- Analysis of cash and investment balances to online bank and brokerage websites.
- Analysis of bank reconciliations.
- Analysis of accounts receivable, delinquent balances and relative ratios.
- Analysis of unbilled receivables.
- Analysis of allocations of interest income.
- Analysis and testing of capital assets: construction-in-progress, significant additions/disposals, and related depreciation.
- Analysis of deferred outflows of resources balances and related amortization.
- Analysis of accounts payable.
- Performance of a search for unrecorded liabilities.
- Analysis and testing of valuation of the liabilities for compensated absences.
- Analysis of long-term debt balances.
- Analysis of the annual roll-forward of net pension liability balances.
- Analysis of net other post-employment benefit liability.
- Analysis of unearned revenue.
- Analysis of deferred inflows of resources balances and related amortization.
- Analysis of the proper establishment of reserves and designations.
- Analysis of significant grant agreements, awards and contracts.
- Analysis of significant events after year end (through the completion of our audit).
- Analysis of attorney letters for significant legal matters affecting the District financial position.

The abovementioned analysis and inquiries are only a sample of the tests performed during the examination and is not meant to be all inclusive.

### *Audit Completion*

At the completion of the audit each year, we will meet with the District management team to review our audit findings. We will communicate all deficiencies in controls which may assist the District in strengthening the internal control structure. Comments and recommendations relating to the accounting system will also be discussed. Finally, we will discuss all findings noted during the engagement. After discussion, the final report will be submitted to the District.

## **Proposed Approach and Work Plan, continued**

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### ***Identification and Communication of Internal Control Matters***

The objective of our audit is to form an opinion on the District. Our objective is not to identify deficiencies in internal controls; however, when control deficiencies are identified during our audit and if they constitute significant deficiencies or material weaknesses, we will communicate in writing those deficiencies to those charged with governance and the District management.

### ***Audit Documentation***

We will document matters pertaining to our audit planning and audit test work. The audit documentation will clearly demonstrate procedures performed, evidence obtained, and conclusions reached.

### ***Communication with Management and the Board of Directors***

In addition to our written reports, we believe an oral presentation to the District management, Finance Committee, and the Board of Directors, to be a minimum service provided by our Firm and would be pleased to schedule a mutually convenient time for such a presentation at the conclusion of the engagement or any time during the progression of the audit.

### ***Other Assistance***

Providing management assistance requires more than having talented people on staff; it requires a proactive approach. First, we assign experienced senior level professionals to our engagements. Our client base of governmental entities and commercial companies demands broad business and industry experience, as well as technical expertise. Those talented professionals have to be exposed to clients and develop an in-depth understanding of particular situations.

Second, we actively look for opportunities to provide assistance. We try to initiate rather than respond. For instance, if we believe a situation is developing, we will approach the client, offer to investigate and provide recommendations. If a formal project to address the problem is required, we will define the approach, execute the assignment and follow through with implementation assistance.

### ***Proposed Hours and Segmentation of the Audit***

See our Cost Proposal for further information of the segmentation of the proposed audit process by hours and staffing.



**Certified  
Public  
Accountants**



**Consultants  
& Advisors**



# **Mid-Peninsula Water District**

## **Cost Proposal to Provide Audit Services**

**For the Years Ending  
June 30, 2023 through 2025 and  
Optional Years June 30, 2026 and 2027**

**Christopher J. Brown CPA, CGMA  
Jonathan P. Abadesco, CPA**

10805 Holder Street, Suite 150  
Cypress, California 90630

5051 Canyon Crest Drive, Suite 203  
Riverside, California 92507

**Phone:** (657) 214-2307  
**Email:** [chris@cjbrowncpa.com](mailto:chris@cjbrowncpa.com)



**C.J. Brown & Company, CPAs  
An Accountancy Corporation**



**C.J. Brown & Company CPAs**  
An Accountancy Corporation

Christopher J. Brown, CPA, CGMA  
Jonathan Abadesco, CPA  
Jeffrey Palmer

**Cypress Office:**  
10805 Holder Street, Suite 150  
Cypress, California 90630  
(657) 214-2307

**Riverside Office:**  
5051 Canyon Crest Drive, Suite 203  
Riverside, California 92507  
(657) 214-2307

May 17, 2023

Mid-Peninsula Water District  
1075 Old County Road, Suite A  
Belmont, CA 94002  
ATTN: Ms. Kathryn Wuelfing, Assistant General Manager

**Re: Request for Proposal for Audit Services**

Dear Ms. Wuelfing:

Based on our understanding of the Mid-Peninsula Water District's (District) requirements, our total all-inclusive maximum fee for all services requested at our discounted rates for the fiscal year ending June 30, 2023, will be **\$23,705**. This fee is based on our understanding of the District's audit requirements.

Assuming there is no substantial change in the District's activities and operations, our all-inclusive maximum price for the fiscal years ending June 30, 2024 and 2025, and optional fiscal years ending June 30, 2026, and 2027 will be **\$23,705**, **\$23,705**, **\$24,887**, and **\$24,887**, respectively.

Our estimate for out-of-pocket expenses may not be utilized in total to the amount estimated. Again, these fees are based on the estimated costs to complete the audit. The components of this audit services fee proposal and out-of-pocket costs for the fiscal years ending June 30, 2023 through 2025, and optional fiscal years 2026 and 2027, are itemized in the attached Exhibits.

Our maximum not-to-exceed fee proposal is contingent upon our understanding of your requirements and the assistance we require as noted in our original audit technical proposal.

Additional services not included in this proposal will be based on our discounted billing rates based on the level of experience required. We would execute a separate contract for these services if they are requested by the District.

I am authorized to make representations for C.J. Brown & Company, CPAs – An Accountancy Corporation and am duly authorized to sign a contract with the District.

\_\_\_\_\_  
Christopher J. Brown, CPA CGMA

\_\_\_\_\_  
May 17, 2023

Date

# Exhibit I – Proposed Hours and Our Fees

## Proposed Hours and Our Fees

We anticipate that, for the years ending June 30, 2023 through 2025, and optional years 2026 and 2027, the audit of the District will approximate 190 hours by major area, are summarized as follows:

<b>Break out of Audit Hours</b>				
<b>Audit Steps</b>	<b>Partners</b>	<b>Mgr/Sup</b>	<b>Staff</b>	<b>Total</b>
<b>Planning</b>	4	10	15	<b>29</b>
<b>Controls Testwork</b>	4	15	25	<b>44</b>
<b>Substantive Testwork</b>	8	30	40	<b>78</b>
<b>Reporting</b>	19	15	5	<b>39</b>
	<u>35</u>	<u>70</u>	<u>85</u>	<u><b>190</b></u>

As shown above, we expect approximately 55% of engagement hours to come from Partners, Managers, and Supervisors assigned to the engagement in fiscal year 2023 through 2025, and optional years 2026 and 2027, respectively.

Working on the premise that we will be provided with a year-end trial balance, along with an audit package of reconciled balances and supporting schedules of all balance sheet accounts, we expect to perform the audit of the District at fees as stated in the attached Exhibit II -Schedule of Professional Fees on Page 3 for the years ending June 30, 2023 through 2025, and optional years 2026 and 2027, respectively.

Our fees are based on the product of the time spent on the engagement and the billing rates of the individuals assigned, plus out-of-pocket costs (such as, report reproductions, typing, postage, travel, copies, telephone, etc.). We will obtain the assistance of the District’s personnel to the extent possible and otherwise endeavor to keep these charges to a minimum. We will submit progress billings monthly to your office as our work progresses, which will be due and payable thirty days from the date of the invoice. Based upon the present size and scope of the activities of the District, we expect to perform the services enumerated above at our hourly rates. Our hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to the audits. We have provided a breakdown of our current hourly rates, which would apply to this engagement on the attached Exhibit III - Schedule of Fees By Hours on Page 4 through 6 of this cost proposal.

In accordance with Firm policies and the Office of Management and Budget Circular A-128 and Firm Policies, we will maintain our work papers for at least seven years and make them available to the District, state agencies, the General Accounting Office, and other parties upon the direction of the District.

We want the Board to understand that we will provide **any** assistance and answer **any** questions that the District’s staff or members of the Board may have when they arise for the entire duration of our contract. We find it important to stay abreast of the District’s activities and accounting issues during the entire engagement.

We would like to thank you and the Board for the opportunity to submit a proposal for the auditing services of the District. Because of our experience in special districts and our interest in the District, we will provide you with assistance in your operations as well as meet the audit needs of the organization. We will also continually make recommendations on these and other matters that come to our attention. We are proud of the professional services we provide and encourage you to make inquiries to any of our clients about their satisfaction with our services and the quality of our staff.

## Exhibit II – Schedule of Professional Fees

<u>Fees By Fiscal Year</u>	<u>Audit Fees</u>			<u>Other Item</u>	<u>Total</u> <u>All-Inclusive</u> <u>Maximum Price</u>
	<u>Audit</u> <u>Service Fees</u>	<u>Out-of-Pocket</u> <u>Expenses</u>	<u>Total Audit</u> <u>Maximum</u>	<u>Financial</u> <u>Transactions</u> <u>Report</u>	
<b>Fiscal Year 2023</b>	\$ 21,925	1,000	22,925	780	<b>23,705</b>
<b>Fiscal Year 2024</b>	\$ 21,925	1,000	22,925	780	<b>23,705</b>
<b>Fiscal Year 2025</b>	\$ 21,925	1,000	22,925	780	<b>23,705</b>
<b>Total Fees by Fiscal Year</b>	<u>65,775</u>	<u>3,000</u>	<u>68,775</u>	<u>2,340</u>	<u>71,115</u>
<b>Optional Years</b>					
<b>Fiscal Year 2026</b>	\$ <u>23,015</u>	<u>1,050</u>	<u>24,065</u>	<u>822</u>	<u>24,887</u>
<b>Fiscal Year 2027</b>	\$ <u>23,015</u>	<u>1,050</u>	<u>24,065</u>	<u>822</u>	<u>24,887</u>

Please note that any additional services requested by the District during the audit period shall be negotiated at the stated hourly rates per year as noted in the following schedules.



## Exhibit III – Schedule of Fees By Hours

### Mid-Peninsula Water District Fiscal Year 2023

#### Breakdown of Fees by Hours

<b>Fiscal Year 2023 Audit of:</b>	<b>Hours</b>	<b>Hourly Rates</b>	<b>Total</b>
District's Financial Statements			
Partner - Engagement & Technical	35	\$ 160	\$ 5,600
Manager/Supervisor	70	130	9,100
Staff	85	85	7,225
<b>Total Financial Statement Audit for 2023</b>	190		21,925
Out-of-Pocket Expenses (Travel, Mileage, Printing, etc.)			1,000
<b>Total Maximum for 2023</b>			\$ 22,925
<b>Other Items Asked to be Priced by the District:</b>			
Preparation of the Annual State Controller's Report	6	130	780
<b>Total All-Inclusive Maximum fee for 2023</b>			\$ 23,705

### Mid-Peninsula Water District Fiscal Year 2024

#### Breakdown of Fees by Hours

<b>Fiscal Year 2024 Audit of:</b>	<b>Hours</b>	<b>Hourly Rates</b>	<b>Total</b>
District's Financial Statements			
Partner - Engagement & Technical	35	\$ 160	\$ 5,600
Manager/Supervisor	70	130	9,100
Staff	85	85	7,225
<b>Total Financial Statement Audit for 2024</b>	190		21,925
Out-of-Pocket Expenses (Travel, Mileage, Printing, etc.)			1,000
<b>Total Maximum for 2024</b>			\$ 22,925
<b>Other Items Asked to be Priced by the District:</b>			
Preparation of the Annual State Controller's Report	6	130	780
<b>Total All-Inclusive Maximum fee for 2024</b>			\$ 23,705

## Exhibit III – Schedule of Fees By Hours

### Mid-Peninsula Water District Fiscal Year 2025

#### Breakdown of Fees by Hours

Fiscal Year 2025 Audit of:	Hours	Hourly Rates	Total
District's Financial Statements			
Partner - Engagement & Technical	35	\$ 160	\$ 5,600
Manager/Supervisor	70	130	9,100
Staff	85	85	7,225
<b>Total Financial Statement Audit for 2025</b>	<u>190</u>		<u>21,925</u>
Out-of-Pocket Expenses (Travel, Mileage, Printing, etc.)			1,000
<b>Total Maximum for 2025</b>			\$ 22,925
<b>Other Items Asked to be Priced by the District:</b>			
Preparation of the Annual State Controller's Report	6	130	780
<b>Total All-Inclusive Maximum fee for 2025</b>			<u>\$ 23,705</u>

### Mid-Peninsula Water District OPTIONAL YEAR - Fiscal Year 2026

#### Breakdown of Fees by Hours

Fiscal Year 2026 Audit of:	Hours	Hourly Rates	Total
District's Financial Statements			
Partner - Engagement & Technical	35	\$ 165	\$ 5,775
Manager/Supervisor	70	137	9,590
Staff	85	90	7,650
<b>Total Financial Statement Audit for 2026</b>	<u>190</u>		<u>23,015</u>
Out-of-Pocket Expenses (Travel, Mileage, Printing, etc.)			1,050
<b>Total Maximum for 2026</b>			\$ 24,065
<b>Other Items Asked to be Priced by the District:</b>			
Preparation of the Annual State Controller's Report	6	137	822
<b>Total All-Inclusive Maximum fee for 2026</b>			<u>\$ 24,887</u>

## Exhibit III – Schedule of Fees By Hours

<b>Mid-Peninsula Water District</b> <b>OPTIONAL YEAR - Fiscal Year 2027</b>
--------------------------------------------------------------------------------

### Breakdown of Fees by Hours

	Hours	Hourly Rates	Total
<b>Fiscal Year 2027 Audit of:</b>			
District's Financial Statements			
Partner - Engagement & Technical	35	\$ 165	\$ 5,775
Manager/Supervisor	70	137	9,590
Staff	85	90	7,650
<b>Total Financial Statement Audit for 2027</b>	190		23,015
Out-of-Pocket Expenses (Travel, Mileage, Printing, etc.)			1,050
<b>Total Maximum for 2027</b>			\$ 24,065
<b>Other Items Asked to be Priced by the District:</b>			
Preparation of the Annual State Controller's Report	6	137	822
<b>Total All-Inclusive Maximum fee for 2027</b>			\$ 24,887



E A D I E P A Y N E

*Proposal for Audit Services*

# Mid-Peninsula Water District

**MAY 18, 2023**

**PREPARED BY**

EadiePayne

3880 Lemon St., Suite 300  
Riverside, CA 92501

**CONTACT PERSON**

Brandon Ferrell

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*expect quality*

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May 18, 2023

Kathryn Wuelfing, Assistant General Manager  
Mid-Peninsula Water District  
1075 Old County Road, Suite A  
Belmont, CA 94002

Dear Ms. Wuelfing,

On behalf of Eadie and Payne, LLP (EadiePayne), we are enthusiastic about the opportunity to serve Mid-Peninsula Water District (District). Our proposal includes the audit of the District's financial statements for the fiscal years ending June 30, 2023, 2024, and 2025, with an option to renew two additional years.

EadiePayne is a leading public accounting and business advisory firm serving clients in California for over a century. We have served water agencies for more than 90 years and look forward to using our expertise to serve the District.

### Why Choose EadiePayne?

**Not a One size Fits all Approach:** EP recognizes that no two entities are the same. We pride ourselves in co-developing our audit plans with management to insure that we meet or surpass expectations.

**Timeliness:** We understand and commit to perform the work within the timing requirements and scope of services you requested. We'll accomplish this by utilizing an open, collaborative process that ensures you receive the promised deliverables when you need them.

**Communication:** Effective and efficient communication is essential to a successful audit as well as client relations. EP streamlines the communication process with management and governing bodies as we appreciate the difficulties of managing the audit process while retaining the regular responsibilities of the day-to-day operations.

**Experience:** We have experience performing the requested services and believe we can bring numerous benefits and efficiencies to the process. We believe our approach and credentials within our team members' resumes demonstrate our qualifications, competence, and capacity to perform the services requested by the District.

**Technology:** EP has invested highly in cutting edge audit and supporting technologies. This ensures that the District will timely, efficient, and secure results.

We appreciate the opportunity to share our credentials and look forward to working with you and your team.

Sincerely,

A handwritten signature in red ink, appearing to read 'Brandon Ferrell', is written over a white background.

Brandon Ferrell  
Engagement Partner  
Office: Telephone: (951) 241-7814 | Cell: (909) 767-3011  
Email: [bferrell@eadiepaynellp.com](mailto:bferrell@eadiepaynellp.com)

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## SPECIFIC AUDIT APPROACH / WORK PLAN

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### Scope of Services

EadiePayne is experienced in meeting the needs and expectations of our clients. Our goal is to perform quality audits that provide reasonable assurance to the District's leaders that the District's financial statements are fairly stated and that the District complies with certain federal, state and local requirements. Our approach is differentiated by the following:

- ✓ Smooth transition in initial year;
- ✓ Focus on internal control;
- ✓ Use of technology; and
- ✓ Open communication.

### Initial Year Transition

Changing audit firms is a challenging undertaking. Our goal is to assist the District in the orderly transition from the prior auditors. With your permission, we will work directly with your prior auditors to obtain information about opening balances. If possible, we will review and obtain copies of prior year audit workpapers. Throughout the first year, we will be in constant communication with the District team. Successful transitions happen because both auditors and clients are aware of ongoing issues, challenges and opportunities.

### Focus on Internal Control

Our audits begin with documenting our understanding of the District and its environment, including its internal control. We evaluate the design and implementation of internal control over financial reporting and compliance based on the framework contained in the State Controller's Office Internal Control Guidelines for Local Agencies (2015) and Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control - Integrated Framework (2013).

### Use of Technology

The Firm utilizes a dynamic audit software that institutes a fully integrated audit approach. This integrated audit approach leverages automated processes steered by auditor expertise to drive the overall audit process - not standardized, predefined checklist methods. This solution improves audit preparation and execution while promoting efficiency, quality, and client understanding. We utilize CCH Solutions, an integrated solution consisting of Prosystem fx Engagement, Knowledge Coach, and Teammate Analytics to increase efficiency and quality of our audits. Additionally, we have implemented several artificial intelligence applications to improve efficiencies and allow for more value-added, top level analysis of financial information.

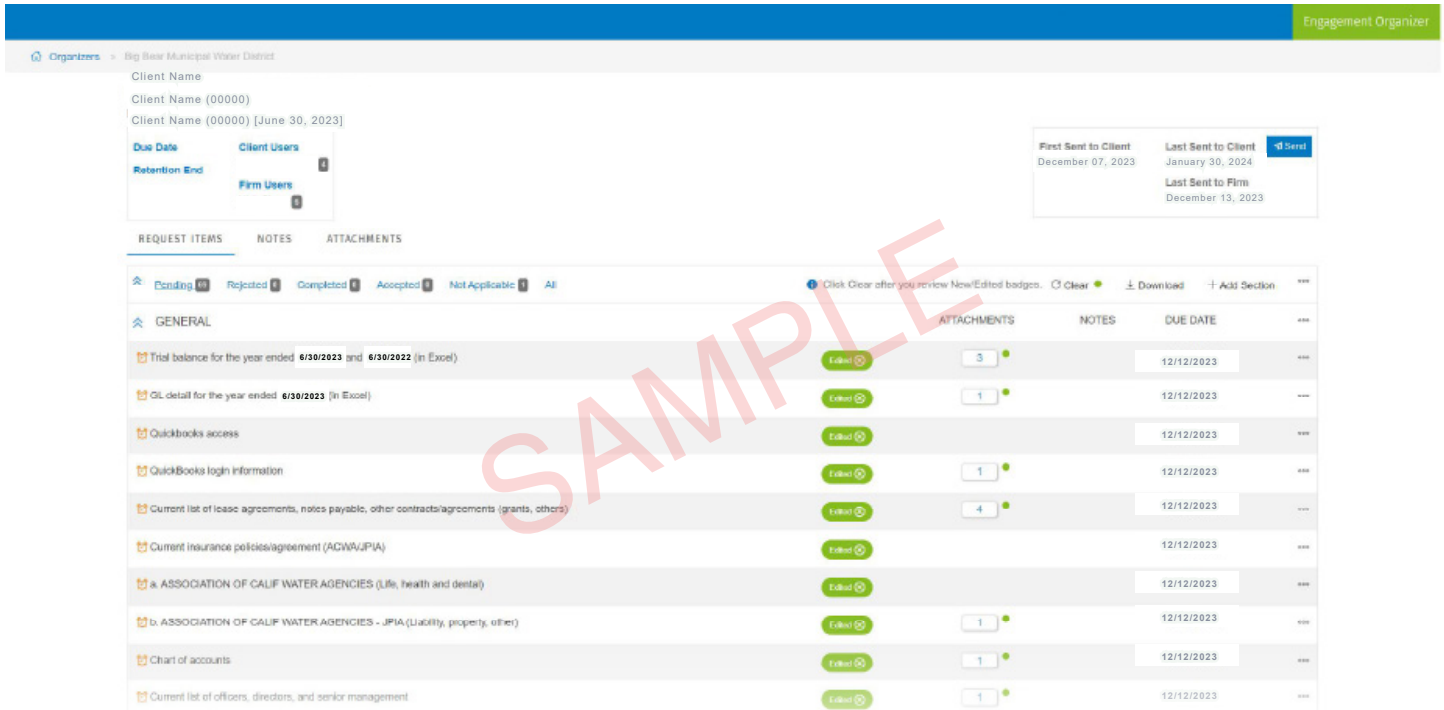
### Open Communication

As your auditors, we report directly to the District's Board of Directors while working closely with management in the performance of our audit. Our engagement will commence with an entrance conference with key personnel. Throughout the engagement, our team will provide status reports and stay in close communication with management to discuss steps performed, significant issues, conclusions, and recommendations. We will present our audit reports to the Finance Committee and Board of Directors.

## SPECIFIC AUDIT APPROACH / WORK PLAN

### Program Monitoring

We utilize a workflow system that is fully integrated with our time management and audit software. This allows us and our clients to track due dates and progress to ensure deadlines are met.



The screenshot displays the 'Engagement Organizer' interface for 'Big Bear Municipal Water District'. It shows a list of request items under the 'GENERAL' section, with columns for 'ATTACHMENTS', 'NOTES', and 'DUE DATE'. The items include:

Request Item	Attachments	Notes	Due Date
Total balance for the year ended 6/30/2023 and 6/30/2022 (in Excel)	3		12/12/2023
QIL detail for the year ended 6/30/2023 (in Excel)	1		12/12/2023
Quickbooks access			12/12/2023
QuickBooks login information	1		12/12/2023
Current list of lease agreements, notes payable, other contracts/agreements (grants, others)	4		12/12/2023
Current insurance policies/agreement (ACWA/PFA)			12/12/2023
a. ASSOCIATION OF CALIF WATER AGENCIES (Life, health and dental)			12/12/2023
b. ASSOCIATION OF CALIF WATER AGENCIES - JPIA (Liability, property, other)	1		12/12/2023
Chart of accounts	1		12/12/2023
Current list of officers, directors, and senior management	1		12/12/2023

### Planning & Interim Fieldwork

Our audit begins with a kick-off meeting with key personnel to discuss the scope, project timelines and deliverables. The interim fieldwork follows where we obtain our understanding of the District and its environment, including its internal control, in order to assess the risks of material misstatements and design our audit procedures. This process includes inquiries with management and others in your organization, preliminary analytical procedures, observation and inspection, and discussions among the audit team. Specifically, this process will involve:

- ✓ Reviewing important contracts, debt issues, leases, and grant agreements;
- ✓ Reviewing organizational charts, manuals, and program documents;
- ✓ Comparison and inquiry regarding fluctuations of revenues and expenditures by fund, budget vs. actual;
- ✓ Reviewing prior-year audit files, findings, and recommendations; and
- ✓ Reviewing policies and procedures over significant business processes such as banking an investment, purchasing, and grant management.

Various tests or walk-throughs will be performed to provide evidence regarding the design and operating effectiveness of your internal control. Depending on the success of these tests the first year, we will be able to rely on the results for subsequent years. The amount of time spent in this area will be reduced after the initial audit year. EadiePayne is committed to investing this additional amount of time spent the first year to ensure smooth audits for the following years.



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## SPECIFIC AUDIT APPROACH / WORK PLAN

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We focus on specific accounting cycles during the internal control testing but we also address other processes such as credit card transactions, inventory process, and contract compliance. Each year we will modify our approach to evaluate changes in the District's internal controls.

At the end of this phase, we will have another meeting with key personnel to discuss steps performed, significant issues, conclusions, and recommendations and provide a request list for year-end procedures.

### **Final Audit Fieldwork**

EadiePayne will review and analyze account balances and transactions and certain general ledger accounts, utilizing data analytics and other audit techniques. We will also review the accounting principles followed and the consistency of their application in preparing the financial statements. Our audit will also include evaluating the reasonableness of accounting estimates and the completeness and accuracy of financial statement disclosures.

Our audit procedures may include, among others:

- ✓ Confirmations of cash and investment balances;
- ✓ Testing of bank reconciliations;
- ✓ Examination of subsequent receipts of receivable balances;
- ✓ Search for unrecorded liabilities;
- ✓ Review of attorney letters;
- ✓ Use of client-prepared schedules and analysis; and
- ✓ Examination of supporting documents.

We will request all entries booked after the year-end procedures have commenced to be provided to us. All proposed audit adjustments will be discussed and explained to the designated Finance and Accounting personnel. We will have an exit conference with key personnel at the end of the audit fieldwork.

### **Report Finalization and Presentation**

The following reports will be issued after the completion of the audits for fiscal years ending June 30, 2023 through 2025:

- ✓ Independent Auditor's Report, expressing an opinion on the fair presentation of the District's basic financial statements.
- ✓ A report on the internal control over financial reporting and on compliance based on the audit of the financial statements performed in accordance with Government Auditing Standards.
- ✓ A separate management letter that includes recommendations for improvements in internal control, accounting procedures and other significant observations.
- ✓ The auditor's communication with those charged with governance regarding significant findings or issues from the audit.

A draft of the financial statements and audit reports along with copies of any journal entries and explanations to support changes to the trial balance will be provided to management for review prior to their issuance. All irregularities and illegal acts, or indications of illegal acts of which we become aware will be reported to the appropriate level of management and the Board of Directors.

Brandon Ferrell, Engagement Partner, will present the audit reports, findings and recommendations to District's management and the Board of Directors.

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## SPECIFIC AUDIT APPROACH / WORK PLAN

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### SCO Report

EP will prepare the District's SCO Financial Transactions Report (FTR) in accordance with the SCO's FTR instructions. The FTR shall contain underlying data from audited financial statements.

### Other Services

We can assist in activities such as establishing internal controls, implementing audit recommendations, reviewing official statements for bond issues, special examinations, preparation of Annual Comprehensive Financial Report, and implementing current and proposed GASB statements (GASB 96). We can also answer technical questions you may have related to governmental financial reporting and other areas of our expertise throughout the year.

### Analytical Procedures

We will use analytical procedures during the planning, performance, and review phases of our audit. We will analyze current and prior-year amounts to ensure changes from year to year are reasonable and proper. Variances will be followed up until we are satisfied that the current-year financial statements are fairly presented. We may also use specific ratio analyses and trend analyses of these ratios as well as budget to actual comparisons.

We will use the many analytic tools available with Teammate Analytics to achieve success in this area. For example, with payroll testing, we are able to use the entire data set to derive employees with excessive overtime and time off. In testing manual journal entries posted we are able to use the entire population based on accounting software report to easily spot outlying entries for further inspection.

### Internal Control

We will evaluate the design and implementation of internal control over financial reporting and compliance based on the framework contained in the State Controller's Office Internal Control Guidelines for Local Agencies (2015) and Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control - Integrated Framework (2013).

- ✓ **Control environment** - Is the environment favorable to internal control?
- ✓ **Risk assessment** - Does the District have a risk assessment process at appropriate levels?
- ✓ **Control activities** - Do control activities contribute to the mitigation of risks and include a mixture of control activity types that address authorization and approval, verification, physical control, reconciliations, supervisory controls, and segregation of duties?
- ✓ **Information and communication** - Does the District provide, share, and obtain information continually, up, down, and across the organization?
- ✓ **Monitoring** - How does the District perform ongoing evaluations to ascertain whether the components of internal control are present and functioning?
- ✓ Our evaluation of internal control will include an assessment of information technology general controls (ITGC).

## SPECIFIC AUDIT APPROACH / WORK PLAN

### Determining Laws and Regulations that will be Subject to Audit Test Work

As part of the risk assessment process, EadiePayne will obtain an understanding of laws, regulations, and provisions of contracts and grant agreements that have a direct and material effect on the determination of financial statement amounts, design tests of compliance with those laws, regulations, and provisions of contracts and grant agreements, and evaluate the results of those tests. Because governments are subject to many laws, regulations, and provisions of contracts or grant agreements, we will identify those that directly relate to specific aspects of the government within the context of our audit objectives. This process will involve discussions with management, legal counsel, or grant administrators about your compliance requirements and reviewing relevant laws, regulations, contracts, and agreements. In addition, we will review minutes of the Committee Meetings, and staff reports.

We value our practice of co-developing the audit timing with our clients before the commencement of the audit. Below you can see an example of our target dates for each milestone.

Detailed Audit Plan	
Entrance Conference to Commence Audit Work	August 2023
Planning	August 2023
Interim Fieldwork	August 2023
Detailed Audit Plan	September 2023
Progress Conference	October 2023
Final Field Work	October 2023
Exit Conference / Staff Presentation	November 2023
Report Issuance - Financial Audit	November 2023
Board of Directors Meeting	December 2023
SCO Report Preparation and Submission	January 2024

We estimate that we'll utilize the following hours by level of staff to complete the audit of the District's financial statements and prepare the SCO reports.

Position/Task	Audit and Related Reports					TOTAL PROJECT HOURS
	Planning	Interim Field Work	Final Field Work	Reporting	SCO Report	
Partner/Technical Reviewer	3	2	8	7	-	20
Manager	8	2	7	9	1	27
Senior	9	6	25	7	-	47
Staff	-	10	55	17	4	86
<b>TOTALS</b>	<b>20</b>	<b>20</b>	<b>95</b>	<b>40</b>	<b>5</b>	<b>180</b>

Given the proposed timing and number of hours, we anticipate that our team can accommodate this project into our current workload.

## DESCRIPTION OF FIRM'S EXPERIENCE



EadiePayne is a local full service firm providing Attest, Tax and Consulting services to a broad client base for over 100 years. Our professional services team includes 20 professionals, of which are 10 full time government services personnel.

The Firm was founded in 1919 in San Bernardino. Since then, EadiePayne has grown, expanding its reach to a large portion of California. Our offices were historically in the San Bernardino County, until we moved to Downtown Riverside in 2017.

We pride ourselves in the quality of our people. The quality of our staff is assured by providing relevant continuing education as well as day-to-day supervision and training by more experienced professionals. To achieve continuity of staff from year-to-year, key personnel such as the partner, senior manager, and supervisor shall not be removed or replaced without your prior concurrence.

We assembled an audit team possessing extensive knowledge of highly technical government accounting standards such as GASB 34, 67, 68, 74, 75, 87, and 96 as well as government operations. Our team members have direct experience in assisting

governments in assessing emerging risk, deploying the Committee of Sponsoring Organizations of Treadway Commission (COSO) Internal Control Framework, applying generally accepted accounting principles (GAAP), and complying with State and Federal regulations. Having managed numerous, large, complex projects, our team can ensure timely and dependable delivery of services to the District.

Your audit team will be composed of an engagement partner, technical review partner, audit manager, audit seniors and audit staff. All key staff are properly licensed to practice in California.

Our existing clients describe us as extremely customer-focused as we take pride in tailoring our engagements to our client's unique needs. We value effective two-way communications to ensure we understand your objectives and priorities and we work with you to accomplish and maintain these over the duration of our professional relationship.

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## DESCRIPTION OF FIRM'S EXPERIENCE

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### Government Services Provided

We have performed financial and compliance audits, agreed upon procedures and consulting services for municipalities and other governmental entities. Below is a sampling of our governmental engagements in recent years:

- ✓ Financial statement audits
- ✓ Single audits
- ✓ Testing of utility billing
- ✓ Payroll testing
- ✓ Review of cost allocation
- ✓ IT vulnerability assessments
- ✓ Risk assessment studies
- ✓ Special procedures related to checks, EFTs and ACHs
- ✓ Agreed upon procedures in relation to special sales tax measures
- ✓ Special procedures in relation to former Redevelopment Agencies and Successor Agencies
- ✓ Preparation of ACFR & basic financial statements
- ✓ Confirmation of property tax allocation
- ✓ Review of purchasing card process
- ✓ Pension and OPEB accounting and disclosure
- ✓ Reconciliation of fund balances
- ✓ COSO internal control studies
- ✓ Consulting on water revenues and rates
- ✓ Assistance with new GASB Implementation

## DESCRIPTION OF FIRM'S EXPERIENCE

### State Controller's Report

The firm has had no federal or state desk reviews or field reviews of its audits during the past three (3) years. Neither had the firm any disciplinary action taken or pending against it during the past three (3) years with state regulatory bodies or professional organizations.

In 2016 the quality of EadiePayne's audits was affirmed by the State Controller's Office. The State Controller's Office initiated a quality control review of our audit of City of Oxnard's financial statements. The review examined whether EadiePayne, as the City's auditor, performed the scope of work in compliance with applicable auditing standards. EadiePayne received a clean opinion from the State Controller's Office affirming the quality of our audits.



**BETTY T. YEE**  
California State Controller

October 6, 2016

Eadie + Payne, LLP  
Deborah Crowley, CPA, Partner  
1839 West Redlands Boulevard  
Redlands, CA 92373

Dear Ms. Crowley:

The State Controller's Office (SCO) completed a quality control review of Eadie + Payne, LLP. We reviewed the audit working papers for the firm's audit of the City of Oxnard for the fiscal year ended June 30, 2015.

The Eadie + Payne, LLP audit was performed in accordance with the standards and requirements set forth in *Government Auditing Standards*, issued by the Comptroller General of the United States, often referred to as generally accepted government auditing standards; auditing standards generally accepted in the United States of America; Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*; and the California Business and Professions Code.

If you have any questions, please contact Jim L. Spano, CPA, Chief, Financial Audits Bureau, at (916) 323-5849.

Sincerely,

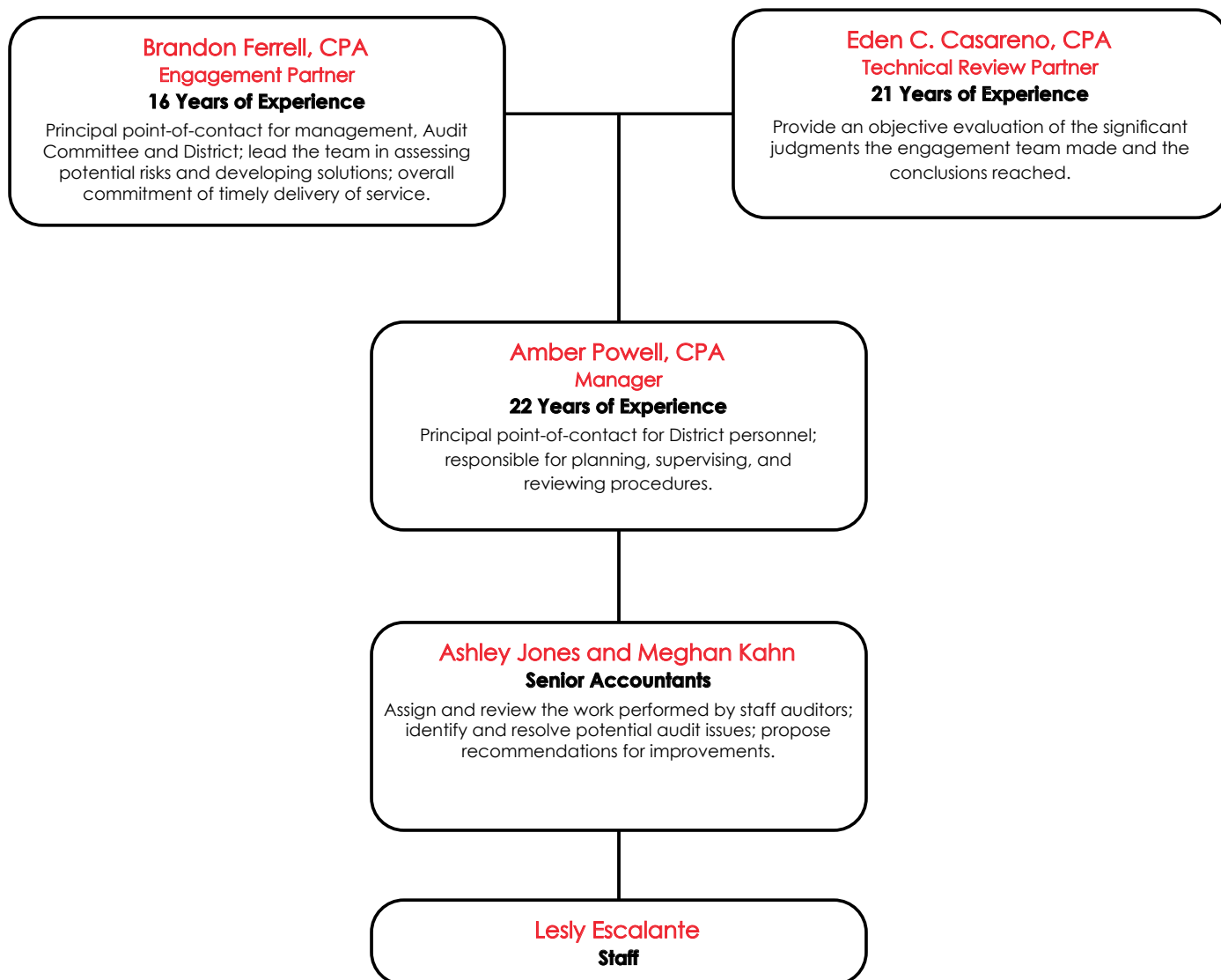


JEFFREY V. BROWNFIELD, CPA  
Chief, Division of Audits

## PROJECT TEAM

We assembled the following professionals to be the District’s audit team. Their resumes provide information on their government auditing experience, continuing professional education (CPE) and membership in professional organizations. The quality of our staff is assured by providing relevant governmental CPE as required by *Governmental Auditing Standards* as well as day-to-day close supervision and training by more experienced professionals.

Key personnel will be available to the extent proposed for the duration of the project. We acknowledge that no person designated as “key” to the project shall be removed or replaced without the prior written concurrence of the District’s. All personnel will be available for on-site work activities as needed. EP acknowledges that staff turnover is a issue in our current economy, therefore, EP has contracted top level recruiters to ensure we do not have a lapse in expertise.







## BRANDON FERRELL, CPA

**Engagement Partner**

Office: 951.241.7814 | Mobile: 909.767.3011 | bferrell@eadiepaynellp.com

Mr. Ferrell leads in the planning, organization and execution of attest engagements. He has strong interpersonal, communication, and project management skills, which are necessary to meet your service expectations. Mr. Ferrell is able to apply technical accounting and auditing knowledge to real-life situations of the clients he serves. He is committed to exceeding his clients expectations by providing quality and timely service in an ever-changing environment.

Mr. Ferrell works closely with management to ensure that EadiePayne is being responsive to the reporting needs within the time frame developed by management. Additionally, Mr. Ferrell performs top level review of project work.

Mr. Ferrell served the following clients:

- Cedarpines Park Mutual Water Company
- City of Compton
- City of Moreno Valley
- City of Oxnard
- City of Riverside
- City of Stockton
- County of Riverside
- Fontana Union Water Company
- Fort Mojave Tribal Utilities Authority
- Hesperia Recreation and Park District
- Inland Empire Latino Lawyers Association Inc
- Inland Empire Resource Conservation District
- Inland Valley Development Agency
- Law Library of San Bernardino County
- Legal Aid Society of San Bernardino, Inc.
- Riverside County Law Library
- Riverside Highland Water Company
- San Bernardino Regional Emergency Training Center
- San Bernardino County Special Districts
- San Gorgonio Pass Water Agency
- The Gage Canal Company
- Twentynine Palms Water District
- Wrightwood Community Services District

### EDUCATION

BS Degree in Business Administration with emphasis in Accounting, University of La Verne  
 Leaderology Academy, 2019

### PROFESSIONAL ORGANIZATIONS

American Institute of Certified Public Accountants  
 California Society of Certified Public Accountants  
 - Inland Empire Chapter, Director  
 National Society of Accountants for Cooperatives  
 - Program Committee  
 California Special Districts Association  
 - Fiscal Committee  
 - Audit Committee

### COMMUNITY ORGANIZATIONS

Riverside Chamber of Commerce  
 - Downtown Council  
 - Military Affairs Council  
 - Economic Development Council  
 - Leadership Riverside Class of 2021  
 Optimist International

### RECENT RELEVANT CPE

Calcpa The CARES Act: How it Impacts Government and Public Agencies: 2021  
 AICPA Preparing for your Single Audit: 2021  
 AICPA Compliance Supplement and Single Audit Update: 2021  
 EP New SAS, SSARS and SSAE: 2021  
 Calcpa Risk Assessment Compliance Standards: 2021  
 AICPA Government Audit Quality Center Update: 2022, 2021, 2020, 2019  
 AICPA CPA Best Practices For Working Remotely: 2020  
 Wolters Kluwer Government Accounting & Auditing Update: 2022, 2021, 2020  
 Wolters Kluwer Common Deficiencies: Audits Under Gov't Auditing Standards and the Single Audit Act: 2020, 2021  
 Wolters Kluwer Government Auditing Standards and Foundations: 2020  
 EP A&A Matters Related to Covid: 2020  
 CSMFO Annual Conference 2023, 2022, 2020, 2019  
 EP GASB 87-Leases: 2020  
 Wolters Kluwer 2022 Govt Entities and Cyber Fraud  
 Wolters Kluwer GASB 87 leases one last look 2022





## EDEN C. CASARENO, CPA

**Technical Review Partner**

Office: 951.241.7805 | Mobile: 909.809.7662 | [ecasareno@eadiepaynellp.com](mailto:ecasareno@eadiepaynellp.com)

Ms. Casareno joined EadiePayne in 2002 as a staff accountant and became a partner in 2009. She was appointed head of attest and governmental services in 2016. She has been the quality control partner since 2019. As head of attest and governmental services, Ms. Casareno leads the EadiePayne team in providing attest and consulting services to cities and municipalities, special districts, JPAs and former redevelopment agencies.

As technical reviewer, Ms. Casareno will act as a second set of eyes to ensure that the engagement has been performed in accordance with Government Auditing Standards, AICPA's attestation standards, and firm policies.

Based on her experience providing similar services to governmental clients, Ms. Casareno offers valuable insight on internal controls, ensuring successful identification of findings and development and implementation of solutions.

Ms. Casareno served the following clients:

- Bell Canyon Community Services District
- Big Bear Valley Recreation and Park District
- Bloomington Recreation and Park District
- Big Bear Municipal Water District
- Cedarpines Park Mutual Water Company
- City of Compton
- City of Huntington Park
- City of Industry
- City of Montebello
- City of Moreno Valley
- City of Oxnard
- City of Riverside
- City of Stockton
- Community Action Partnership Riverside County
- County of Riverside
- Fontana Union Water Company
- Fort Mojave Tribe / Avi Kwa Ame Farms
- Hesperia Recreation and Park District
- Inland Empire Resource Conservation District
- Inland Valley Development Authority
- Law Library for San Bernardino County
- Orange County Public Law Library
- Riverside County Regional Park and Open Space District
- Riverside Highland Water Company
- Riverside County Law Library
- Riverside County Transportation Commission
- San Bernardino County Service Areas
- San Bernardino County Special Districts
- San Geronio Pass Water Agency
- Twentynine Palms Water District

### EDUCATION

BS Degree in Business Administration, emphasis in Accounting, University of California, Riverside  
 Leadership Excellence Summit, Brainard Strategy Leadership Academy  
 Single Audit Certificate - AICPA

### PROFESSIONAL ORGANIZATIONS

American Institute of Certified Public Accountants  
 California Society of Certified Public Accountants  
 California Society of Municipal Finance Officers  
 California Special Districts Association

### RECENT RELEVANT CPE

AICPA Auditor Considerations: The Coronavirus State and Local Fiscal: 2022  
 Recovery Funds Program: 2022  
 AICPA 2022 Compliance Supplement and Single Audit Update: 2022  
 CSMFO Annual Conference: 2023, 2022, 2021  
 AICPA GAQC Update: 2022, 2021, 2020  
 AICPA Annual Update for Accountants and Auditors: 2021  
 CCH 2021 GAAP, GAAS & SSARS Update: 2021  
 AICPA OMB Compliance Supplement and Covid-19 Audit Implications: 2021  
 EP GASB 84 & 87: 2021  
 EP Audit & Accounting Matters Related to Covid-19: 2020  
 EP GASB 87-Leases: 2020  
 CCH Common Frauds in Governmental Entities: 2020  
 CalCPA Government Auditing and Accounting Conference: 2020  
 AICPA 2020 State and Local Government Audit Planning Considerations: 2020  
 CSMFO Impact of Covid-19 on Financial Reporting and Single Audit: 2020



## **AMBER POWELL, CPA**

**Manager**

Office: 951.241.7829 | Mobile: 909.557.3421 | [apowell@eadiepaynellp.com](mailto:apowell@eadiepaynellp.com)

Ms. Powell joined EadiePayne as audit manager in 2023. Ms. Powell has served a highly diverse client base with a long history of providing quality audit services for over 20 years. Here at EadiePayne Ms. Powell leads in the planning, organization and execution of attest engagements.

Ms. Powell's audit services include financial, governmental, non-for-profit, and compliance auditing. Beyond audit services Ms. Powell has consulted on strategic planning, operational efficiencies, fund accounting and management.

Ms. Powell's experience allows her to provide exceptions professional judgment, sound and decisive decisions, and strong project management and interpersonal skills.

### **EDUCATION**

BS Degree in Accounting, University of La Verne, La Verne, CA  
Licensed Certified Public Accountant  
Licensed Certified Global Management Accountant

### **PROFESSIONAL ORGANIZATIONS**

American Institute of Certified Public Accountants  
California Society of Certified Public Accountants



## **ASHLEY JONES**

**Senior Auditor**

**Office: 951.241.7815 | Mobile: 909.809.7064 | [ajones@eadiepaynellp.com](mailto:ajones@eadiepaynellp.com)**

Ms. Jones joined EadiePayne in August 2021. She exhibits a strong work ethic and a good understanding of all aspects of GAAP accounting and financial reporting. Since joining EadiePayne, she has provided audit, review and tax services for a diverse set of clients, assisting not only in audit and tax engagements but also forensic and consulting services.

Ms. Jones has been a key team member on the following audits:

- Cal-Bean and Grain Coop Inc.
- Cedarpines Park Mutual Water Company
- City of Compton
- City of Oxnard
- Hesperia Recreation and Park District
- Inland Empire IBEW-NECA Labor Management Cooperation Committee
- Inland Empire Latino Lawyers Association
- Inland Empire Resource Conservation District
- Inland Valley Development Agency
- Legal Aid Society of San Bernardino, Inc.
- Riverside County Regional Park and Open Space District
- Riverside Highland Water Company
- San Bernardino County Special Districts
- Springboard CDFI
- Treatment and Development Inc.
- Twentynine Palms Water District
- Ultimate Internet Access
- Wrightwood Community Services District

### **EDUCATION**

BS Degree in Business Administration with emphasis in Finance (Cum Laude), California State University, San Bernardino, CA  
 MBA Degree in Accounting, California State University, San Bernardino, CA

### **PROFESSIONAL ORGANIZATIONS**

American Institute of Certified Public Accountants  
 California Society of Certified Public Accountants

### **RECENT RELEVANT CPE:**

Audits of State and Local Government: 2022  
 Auditing Pension and Opeb (Gasb 68 And 75): 2022  
 GASB 87: 2022  
 Auditwatch University: Experienced Staff Training: 2022  
 Accountant's Liability: Balancing Risk and Reward: 2022  
 How to Become A Rock Star Auditor: 2021  
 Financial Statement Audits for New Auditors Series: Audit Planning: 2021  
 Basic Staff Training: Auditing Accounts Receivable & Revenue: 2021  
 Basic Staff Training: Auditing Accounts Payable: 2021  
 How Accounting Works and Reporting Guidelines: 2021  
 Auditing Excel Spreadsheets: 2021  
 Basic Accounting Procedures: Part I: 2021  
 Basic Accounting Procedures: Part II: 2021  
 Basic Staff Training: Audit Fixed Assets: 2021  
 Auditing Procedures & Practices: Audit Documentation: 2021



## MEGHAN KAHN

**Senior Auditor**

Office: 951.241.7828 | Mobile: 909.809.7314 | [mkahn@eadiepaynellp.com](mailto:mkahn@eadiepaynellp.com)

Ms. Kahn joined EadiePayne in January 2021. She has a strong understanding of all aspects of GAAP accounting and financial reporting and has proven to be a key team member in audit and tax engagements where she efficiently performs substantive procedures and effectively communicates important matters to the engagement team. Since joining EadiePayne, she has provided audit, review and tax services for clients ranging from government and not for profit entities, to privately owned businesses and individuals.

Ms. Kahn has been a key team member on the following audits:

- 1Loaf
- Bell Canyon Community Services District
- Central California Almond Growers Association
- City of Compton
- City of Oxnard
- Community Action Partnership Riverside County
- Fort Mojave Tribe / Avi Kwa Ame Farms
- Girl Scouts of San Gorgonio
- Growing Inland Achievement
- Inland Empire Latino Lawyers Association
- Inland Empire Resource Conservation District
- Law Library for San Bernardino County
- Legal Aid Society of San Bernardino, Inc.
- Orange County Public Law Library
- Paradox Church
- Riverside County Law Library
- Riverside County Regional Park and Open Space District
- Riverside Highland Water Company
- Riverside National Cemetery Support Committee
- San Bernardino County Special Districts
- San Gorgonio Pass Water Agency
- SCPGA Foundation
- Wrightwood Community Services District

### EDUCATION

BS Degree in Business Administration with emphasis in Accounting, California State University, San Bernardino, CA  
MSA Degree in Accounting, California State University, San Bernardino, CA

### PROFESSIONAL ORGANIZATIONS

American Institute of Certified Public Accountants  
California Society of Certified Public Accountants

### COMMUNITY ORGANIZATIONS

Volunteer Income Tax Assistance (VITA)

### RECENT RELEVANT CPE:

Accountant's Liability: Balancing Risk and Reward: 2022  
Auditwatch University: Experienced Staff Training: 2022  
Basic Staff Training: Accounts Payable, Expenditures, & Related Fraud Risks: 2021  
Basic Staff Training: Auditing Accounts Receivable & Revenue: 2021  
Basic Staff Training: Cash & Related Fraud Risks Audit Concepts: 2021  
Internal Controls: What Every Financial and Accounting Professional Needs to Know: 2021  
Financial Statement Audits for New Auditors: Further Procedures: 2021  
Financial Statement Audits for New Auditors: Risk Assessment: 2021  
Access Project Management Training: 2021  
New Auditing Standards Effective for Years Ending 12/15/21 + SSARS & SSAE Updates: 2021  
GASB 84 & 87: 2021  
Financial Statement Preparation: 2021  
Risk Assessment and Other Audit Topics: 2021  
Intermediate Staff Training: Auditing Revenue Recognition: 2021  
Intermediate Staff Training: Auditing Internal Controls: 2021  
Auditing Excel Spreadsheets: 2021  
Governmental GAAP: Introduction to Government Accounting: 2021  
Auditing Procedures & Practices: Audit Documentation: 2021



## LESLY ESCALANTE

**Staff Accountant**

Office: 951.241.7832 | Mobile: 909.557.8385 | [lescalante@eadiepaynellp.com](mailto:lescalante@eadiepaynellp.com)

Ms. Escalante joined EadiePayne in May 2022. She has a strong understanding of all aspects of GAAP accounting and financial reporting and has proven to be a key team member in audit and tax engagements where she efficiently performs substantive procedures and effectively communicates important matters to the engagement team. Since joining EadiePayne, she has provided audit, review and tax services for clients ranging from government and not for profit entities, to privately owned businesses and individuals.

Ms. Escalante has been a key team member on the following audits:

- Cal-Bean and Grain Coop Inc.
- Cedarpines Park Mutual Water Company
- City of Compton
- City of Oxnard
- Hesperia Recreation and Park District
- Inland Empire IBEW-NECA Labor Management Cooperation Committee
- Inland Empire Latino Lawyers Association
- Inland Empire Resource Conservation District
- Inland Valley Development Agency
- Legal Aid Society of San Bernardino, Inc.
- Riverside Highland Water Company
- San Bernardino County Special Districts
- Springboard CDFI
- Treatment and Development Inc.
- Twentynine Palms Water District
- Ultimate Internet Access
- Wrightwood Community Services District

### EDUCATION

Master of Science in Accountancy, and a Bachelor of Arts in Administration with an Accounting concentration, California State University, San Bernardino, CA

### PROFESSIONAL ORGANIZATIONS


American Institute of Certified Public Accountants  
California Society of Certified Public Accountants

### RECENT RELEVANT CPE

Audits of State and Local Government: 2022  
Auditing Pension and Opeb (GASB 68 And 75): 2022  
GASB 87: 2022  
Auditwatch University: Experienced Staff Training: 2022  
Accountant's Liability: Balancing Risk and Reward: 2022  
How to Become A Rock Star Auditor: 2021  
Financial Statement Audits for New Auditors Series: Audit Planning: 2021  
Basic Staff Training: Auditing Accounts Receivable & Revenue: 2021  
Basic Staff Training: Auditing Accounts Payable: 2021  
How Accounting Works and Reporting Guidelines: 2021  
Auditing Excel Spreadsheets: 2021  
Basic Accounting Procedures: Part I: 2021  
Basic Accounting Procedures: Part II: 2021  
Basic Staff Training: Audit Fixed Assets: 2021  
Auditing Procedures & Practices: Audit Documentation: 2021

## LICENSE TO PRACTICE IN CALIFORNIA

EadiePayne, LLP is licensed to practice as a certified public accounting firm in the State of California, license number 411. All EadiePayne’s partners and all assigned key engagement team members are certified public accountants (CPAs) licensed to practice in the State of California.

	<h3>BOARD OF ACCOUNTANCY</h3>	
<h4>LICENSING DETAILS FOR: 411</h4>		
<b>NAME:</b> EADIE AND PAYNE LLP	<b>ADDRESS</b>	<b>ISSUANCE DATE</b>
<b>LICENSE TYPE:</b> CPA - PARTNERSHIPS	3880 LEMON STREET STE 300 RIVERSIDE CA 92501 RIVERSIDE COUNTY	APRIL 9, 1953
<b>LICENSE STATUS:</b> CLEAR		<b>EXPIRATION DATE</b>
<b>PREVIOUS NAMES:</b> EADIE AND PAYNE		APRIL 30, 2023

## INDEPENDENCE

EadiePayne meets the independence requirements as defined by auditing standards generally accepted in the United States of America and the U.S. General Accountability Office’s *Government Auditing Standards* with respect to the District.

The firm has no previous professional relationships involving the District for the past five (5) years.

We agree to give the District written notice of any professional relationships entered into during the period of this agreement that could constitute a conflict of interest.

## REFERENCES

EadiePayne has successfully completed many projects that are similar to the services requested by the District. We presented 5 projects (completed and ongoing) below. We strongly encourage the District to reach out to our contact at each project to truly understand our commitment to working with our clients to ensure a quality and timely audit.

<p><b>Twentynine Palms Water District</b>          2018 – Present          Matt Shragge, General Manager          (760) 367-7546   mshragge@29palmswater.org          Cindy Byerrum, Outside Accountant          (909) 204-8858   cbyerrum@eidebailly.com          72401 Hatch Road, Twentynine Palms, CA 92277</p>	<p>Financial audits, preparation of GAAP financial statements, assistance with implementation of GASB 87, and SCO report preparation.</p>
<p><b>Big Bear Municipal Water District</b>          2004-2018, 2022 – Present          Mike Stephenson, General Manager          (909) 866-5796   mstephenson@bbmwd.net          40524 Lakeview Drive, Big Bear Lake, CA 92315</p>	<p>Financial audit, preparation of financial statements and tax compliance.</p>
<p><b>Hesperia Recreation and Park District</b>          2011 – Present          Kyle Woolley, General Manager          (760) 244-5488   kwoolley@hesperiaparks.com          P.O. Box 401055, Hesperia, CA 92340</p>	<p>Financial audits, preparation of financial statements, SCO report filing.</p>
<p><b>Fort Mojave Tribal Utilities Authority</b>          2022 – Present          Timothy Kellett, General Manager          (928) 768-1500   tkellett@fmtua.com          8780 S Hwy 95, Mohave Valley, AZ 86440</p>	<p>Financial audit, preparation of financial statements and tax compliance.</p>
<p><b>Riverside Highland Water Company</b>          2008 – Present          Don Hough, General Manager          (909) 825-4128 ext. 207   dhough@rhwco.com          12374 Michigan St., Grand Terrace, CA 92313</p>	<p>Financial audit, preparation of financial statements and tax compliance.</p>



## PEER REVIEW

Our peer review letter dated October 7, 2022 expressed an opinion that the system for quality control for the auditing practice of EadiePayne met the objectives established by the AICPA. The quality control review included a review of specific governmental audit engagements performed under Government Auditing Standards and the Single Audit Act.



The Place to Be

### Report on the Firm's System of Quality Control

October 7, 2022

To the Partners of Eadie & Payne, LLP  
and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Eadie & Payne, LLP (the firm) in effect for the year ended April 30, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

#### Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

#### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

#### Required Selections and Considerations

Engagements selected for review included an engagement performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act; and an audit of an employee benefit plan.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

#### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Eadie & Payne, LLP in effect for the year ended April 30, 2022, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Eadie & Payne, LLP has received a peer review rating of *pass*.



Price Paige & Company

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Clovis, CA 93611  
tel 559.299.9540  
fax 559.299.2344

[www.ppcpas.com](http://www.ppcpas.com)



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## CURRENT CLIENTS

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### Water Entities Served

Antelope Valley-East Kern Water Agency | Big Bear Municipal Water District | Cedarpines Park Mutual Water Company | Fontana Union Water Company | Fort Mojave Tribal Utilities Authority | Riverside Highland Water Company | The Gage Canal Company | Twentynine Palms Water District

### Cities Served

City of Compton | City of Huntington Park | City of Oxnard

### Special Districts & Joint Powers of Authorities Served

Hesperia Recreation and Park District | Inland Empire Resource Conservation District | Law Library for San Bernardino County | Orange County Public Law Library | Riverside County Law Library | San Bernardino Public Safety Authority | Wrightwood Community Services District | Bell Canyon Community Service District

### Counties Served

County of Riverside | County of San Bernardino Department of Behavioral Health

## COST PROPOSAL

EadiePayne estimates that the cost of the services to be provided to be higher than the proposed amounts, however, we would like to make an investment in to what we believe could be a long lasting relationship with the District.

EadiePayne's total all-inclusive maximum price for the financial audit of the District for the three years beginning with the fiscal year ending June 30, 2023 is as follows:

	Fee for Fiscal Year			Fee for Optional Additional Fiscal Year	
	2023	2024	2025	2026	2027
1. Financial Audit of the District	\$ 25,350	\$ 25,980	\$ 26,630	\$ 27,300	\$ 27,980
2. State Controller Office Report and Submission	645	660	680	700	720
<b>TOTAL</b>	<b>\$ 25,995</b>	<b>\$ 26,640</b>	<b>\$ 27,310</b>	<b>\$ 28,000</b>	<b>\$ 28,700</b>



MANN, URRUTIA, NELSON CPAS  
& ASSOCIATES LLP

Technical Proposal to Provide Audit Services

**MID-PENINSULA WATER DISTRICT**

**MAY 16, 2023**

CONTACT:

JUSTIN WILLIAMS, CPA, PARTNER

MANN, URRUTIA, NELSON CPAS & ASSOCIATES, LLP

SACRAMENTO OFFICE: 1760 CREEKSIDE OAKS DR., SUITE 160

SACRAMENTO, CA 95833

916-929-0540

[jjw@muncpas.com](mailto:jjw@muncpas.com)

[WWW.MUNCPAS.COM](http://WWW.MUNCPAS.COM)

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**TOTAL CLIENT COMMITMENT**

SACRAMENTO • ROSEVILLE • GLENDALE • SOUTH LAKE TAHOE • KAUAI, HAWAII

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# TECHNICAL PROPOSAL

## PROPOSAL TO PROVIDE AUDIT SERVICES TO:

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### INTRODUCTION

On behalf of our partners and staff of Mann, Urrutia, Nelson CPAs & Associates LLP (MUN CPAs) I am pleased to present our proposal provide professional services to the Mid-Peninsula Water District (the District). Our Firm has experienced continuous growth and success as we meet and exceed client expectations. Our overall goal is to provide responsive, innovative services of the highest quality to our clients.

We believe our firm is the best qualified to perform this engagement because we add value to the audit by providing specialized resources and technical proficiency. Our expertise in governmental auditing and accounting combined with our vast access to resources empowers us to solve challenges encountered during the audit. Our highly trained engagement team will maintain a knowledgeable, yet, non-intrusive, approach to the audit, and in this way, deliver an audit of exceptional quality requiring few disruptions in the conduct of the District's on-going operations.

We are committed to meeting all terms, conditions, and requirements as addressed in the request for proposal.

It is our understanding that the term of the agreement will be for the fiscal years ending June 30, 2023 through June 30, 2025 with the option to extend services for an additional two years and the scope of services will be the following:

1. Perform an audit and prepare the financial statements of the Mid-Peninsula Water District and issue related reports.
2. Prepare and submit the District's Annual Financial Transactions Report to the State Controller's Office.
3. Issue a Management Letter, if necessary, for Mid-Peninsula Water District that includes recommendations for improvements in internal control, accounting procedures and other significant observations that are considered to be non-reportable conditions.
4. Issue a Management Report of reportable conditions, if any, discovered during the audit.
5. Presentation of audit report and results to the Board of Directors and the Finance and Administration Committee.
6. Provide general consultation as required on financial accounting and reporting matters.

The audit will be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; *the Basic Audit Program and Reporting Guidelines for California Special Districts*, as prescribed by the State Controller.

## PROPOSAL TO PROVIDE AUDIT SERVICES TO:

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We separate ourselves from our competition by:

- ◇ Extensive Partner involvement on each engagement
- ◇ Manager and/or Partner always on-site during fieldwork
- ◇ Consistent and experienced staff
- ◇ Timeliness of communications
- ◇ Proactive approach in addressing complex issues early in the engagement
- ◇ Availability to clients as a specialized resource
- ◇ Professionalism with understanding

**Our success** — The keys to our success and growth include our commitment to outstanding quality, properly trained staff, timely communication in all aspects of the audit, planning, and understanding how to structure each audit to ensure efficiencies are achieved, and our ability to meet all required deadlines.

We add value to the audits we perform by providing specialized resources and technical proficiency. Our expertise in governmental accounting combined with our vast access to resources empowers us to solve challenges encountered during the audits. Our unique combination of technical expertise, combined with our philosophy of total client commitment throughout all phases of the engagement provides our clients the highest quality service and products available.

We are confident that our proposal addresses your needs and look forward to discussing and reviewing its content with you. We appreciate this opportunity to provide quality audit services for the Mid-Peninsula Water District.

## PROPOSAL TO PROVIDE AUDIT SERVICES TO:

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### SPECIFIC AUDIT APPROACH

Our audit work plan targets our audit efforts on those areas of your financial statements that represent the greatest risk. This includes integrated quality-control processes, including policies and procedures for engagement quality control.

Our financial audit methodology comprises a set of interdependent audit work steps and procedures that enable the audit team to plan and execute the audit strategy and conclude and report audit results. The methodology also provides for performance measurement to enable improvement in quality of audit work through identification of training needs and motivation of staff through performance-based growth and advancement. The financial audit methodology of our firm is built around the following:

- Generally accepted auditing standards
- Professional ethics
- Quality assurance and control

Our audit process begins with the assignment of staff to the engagement. Our engagement team has the expertise to provide a level of service desired and deserved by your Mid-Peninsula Water District. Our engagements are supervised by the engagement partner and the manager who specialize in government and special district audits. As high-level involvement is vital to a quality audit, the partner and manager's time will account for approximately 25% of total hours spent on the engagement. Our team's approach is designed to be efficient yet non-intrusive.

### WORK PLAN

#### PROPOSED SEGMENTATION OF THE ENGAGEMENT

##### Audit Planning

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Our audit planning process includes a risk assessment of the District and review of the control environment. We begin with a pre-planning meeting to ensure that management's expectations and our expectations are communicated prior to commencing the audit. We will confirm our understanding of the engagement deadlines and ensure these are met timely.

*Interim Audit Phase:* Our interim audit phase typically consists of three days of fieldwork and includes the following:

##### Risk Assessment

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As part of our extensive planning phase, the engagement team will discuss with management issues surrounding the applicable industry, the District' internal & external environment, significant events, as well as economic, political, and social factors to determine and document areas of risk. Once areas of risk have been identified, the next process will be to review the control environment.



## PROPOSAL TO PROVIDE AUDIT SERVICES TO:

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### Control Environment — Interim Phase

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Our understanding of and reliance on the District' internal controls related to financial reporting is a key factor in our audit approach to the District' financial statements. Our interim audit procedures are primarily focused on developing our understanding of internal controls related to cash receipts, cash disbursements, payroll, financial reporting close and the IT environment, and then performing tests of those controls. Our planned audit approach is a control-based audit in which we are planning to perform tests of controls in order to place reliance on the District' key controls.

We develop our understanding of the District' internal controls through a combination of verbal discussions with management, and observation and inspection of documents. We first gain a high-level understanding of controls by asking an appropriate member of your finance department to describe the processes for recording transactions and more importantly, how the review and approval of transactions is documented. Then to corroborate the descriptions, we ask to see physical evidence that the control is in place. Physical evidence is typically management providing key documents that have evidence of a review or approval on the document.

If we identify any controls that are not operating as designed, we will first discuss with management before providing a written recommendation.

*Year-End Audit Phase:* Our year-end audit phase typically consists of five days of fieldwork and includes the following:

### Substantive Procedures — Year End Phase

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Substantive audit procedures are designed based on our risk assessment process. Complex and high-risk accounts will be identified early in the audit process and these accounts will be assigned to the manager and/or partner for actual testing. Our substantive audit procedures will include the following:

- ◇ Tests of account details — Detail transaction testing to source documentation
- ◇ Analytical procedures — Ratio analysis, variance analysis, trend analysis
- ◇ Use of data analysis software — Review of large volumes of data to detect anomalies
- ◇ Unpredictability tests — Varying timing and extent of tests
- ◇ Review of management's estimates — To determine reasonableness
- ◇ Review of subsequent events and contingencies — For proper adjustment and footnote disclosure

### Laws and Regulations

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As applicable, we will review the laws and regulations covering the District' grants and other programs. Based upon our inquiry with District staff, review of the District's government code, review of administrative policies, etc. we will determine the relevant laws and regulations that will be subject to additional test work.

### Use of Analytic Procedures during the Audit

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The use of analytic procedures during our audit of the District is part of our planned audit approach for certain financial statement line items. In order to perform effective analytic procedures, MUN CPAs must first obtain an understanding of activity at the District, as well as changes in activity at the District during the year under audit. This will allow MUN CPAs to develop expectations for changes or lack of changes in key account balances for purposes of performing our analytic procedures. Our analytic procedures will be performed using a combination of the following:

## PROPOSAL TO PROVIDE AUDIT SERVICES TO:

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- Independent recalculations of account balances: Performing our own independent recalculation of an account balance, then comparing to the District' actual account balance to see if our recalculated balance agrees to the District' balance. Significant variance between our recalculated balance and the District' balance would require additional inquires and procedures to determine if the account balance requires an adjustment.
- Variance analytics of prior year and current year account balances: By developing our understanding of activity at the District, we can then compare current year account balances to the prior year balance and determine if the change in the account balance is reasonable based on our understanding of activity at the District during the year. Account balances and/or changes in account balances that do not meet our expectations will require further inquiry with management to determine if an adjustment is needed.
- Ratio analysis: We can compare the relationship of certain accounts to other accounts or non-financial information to determine if the relationship is consistent or if a variance may indicate an adjustment to an account may be required.

### Drawing Audit Samples

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The selection of audit testing samples is based on a combination of materiality, qualitative factors, and auditor judgement. Account balances and/or transactions over a certain dollar limit are automatically selected for testing. Smaller account balances, transactions or disclosures that MUN CPAs determines may have a qualitative impact on the financial statements and influence a user of the financial statements will also be selected for testing.

### Audit Sizes and Statistical Sampling Techniques

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Audit sampling provides the auditor an appropriate basis on which to conclude on an audit area by examining evidence from a sample of a population. We utilize both statistical and non-statistical sampling techniques as described in the AICPA's Audit Sampling Guide, depending on the type of testing being performed. Internal control, substantive and compliance testing samples are generally selected using non-statistical techniques. Sample sizes are determined by risk assessment and nature of the population. We may use statistical sampling to assist with forensic testing in areas which have a higher risk of misstatement due to fraud.

Based on our review of the financial statements of the Mid-Peninsula Water District, we anticipate that our primary areas of audit focus will be:

- Financial reporting requirements
- Impact of new GASB accounting standards
- Revenue recognition
- Valuation of accounts receivable
- Valuation of capital assets
- Valuation of Pension and OPEB liabilities
- Expense and accrual timing
- Long-term liabilities reporting

**PROPOSAL TO PROVIDE AUDIT SERVICES TO:**

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Preparation of Audit Report and Review — Year-end Phase and Wrap-up Phase

The manager and engagement partner review audit workpapers throughout the audit. Before we leave your offices, the file will be substantially reviewed and any issues will be discussed and resolved. All reports are reviewed by the engagement partner and concurring partner.

Upon approval, we will issue drafts of all reports based on the District’ predetermined schedule as indicated in the Request for Proposal. This will allow adequate time for review and distribution of the report.

A “Prepared by Client” (PBC) list of requested audit schedules will be provided upon audit engagement. PBC Items are due to MUN CPAs two weeks prior to scheduled fieldwork in order to properly plan, risk assess, and select samples for the audits.

**Level of staff and number of hours to be assigned to each proposed segment of the engagement**

Staff Classification Performing Work	Estimated Hours Annually
Partners	16
Managers	32
Senior Associates	48
Staff Accountants	130
<b>Total Annual Hours:</b>	<b>226</b>

Hours by Audit Phase	Hours
Phase I – Planning and Interim	88
Phase II – Year End	100
Phase III – Reporting and Wrap-up	38
<b>Total Annual Hours:</b>	<b>226</b>

**Identification of Anticipated Potential Audit Problems**

The District requested in the RFP that we identify and describe any anticipated potential problems with the audit, the Firm’s approach to resolving these problems and specific assistance that may be requested from the District. Based on our review of the financial statements, we do not anticipate any audit problems. However, if issues are noted during the audit process, we will use the following approach to seek a mutually agreeable resolution of accounting and reporting issues:

1. Define and understand the issue through discussion with the District’s management and verified audit information.
2. Make an initial assessment of the impact of alternative accounting treatments.
3. If the impact has significant potential, gather research which may include the following: obtain the District’s research and rationale for their position; gather additional details; draw on common practices within other California Special Districts or other similar sized local governments; utilize recognized Firm experts.
4. Discuss with District staff the Firm’s preferred position and rationale.
5. Resolve the issue.

## PROPOSAL TO PROVIDE AUDIT SERVICES TO:

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### FIRM QUALIFICATIONS AND EXPERIENCE

Founded in 2003, MUN CPAs is a locally established and respected full-service licensed accounting and auditing firm offering governmental audits, as well as tax, consulting, litigation support, and forensic accounting services. Our commitment to our clients has enabled the firm continued growth and success at developing and maintaining strong professional relationships. We have over 65 well-trained professionals with office locations in Sacramento, Roseville, and Glendale, California, as well as Nevada and Hawaii.

#### *Sacramento Office*

Audit engagements are performed primarily out of the Sacramento office. We have an outstanding team of eighteen audit professionals consisting of three firm partners one senior manager, two managers, three seniors and nine staff accountants. Five full-time staff members will be dedicated to the Mid-Peninsula Water District should services be awarded to our firm. In addition to audits, reviews and compilations, we also provide accounting, tax and consulting services for our clients.

We specialize in audits of special districts and governmental agencies ranging from small agencies to agencies with over \$200 million in annual revenue. We also specialize in retirement plans and nonprofit organizations. We are voluntary members of the following organizations:

- Government Audit Quality Control Center
- Association of California Water Agencies
- Government Finance Officers Association
- California Special Districts Association
- California Municipal Treasurers Association
- California Society of Municipal Finance Officers

Membership in these centers provides our firm with additional resources designed to enhance our audit quality and apply best audit practices to our engagements. We have access to the latest developments in accounting, auditing, and the various rules and regulations that affect the different audits and industries.

#### Governmental Auditing Experience

Since our founding in 2003, our office has performed over 400 audits of special districts and other governmental entities. We have provided audit services for several other special districts that are similar to that which is requested by the Mid-Peninsula Water District. Many of these districts are also similar in size and structure. We currently provide audit services to 30 governmental entities, of which 16 are special districts. Of the 16 districts, 11 are water related. **Every level of our audit staff has extensive experience in auditing special districts.**

#### GASB Implementation and Reporting

In addition to auditing and assisting with the preparation of GASB financial statements, all audit partners and managers have provided hands-on assistance with implementation of new GASB financial reporting requirements. Our firm is a leader in implementation of the new GASB standards going into effect in the coming years.

## PROPOSAL TO PROVIDE AUDIT SERVICES TO:

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### Specialized Services

Our firm has provided specialized services to governmental entities that include, but are not limited to, the following:

- State Controller Report preparation
- Tax Measure Agreed-Upon procedures
- Cash Collections Agreed-Upon procedures
- TDA audits
- Board Financial Training
- Internal control projects

### Client Education and Updates

Our partners have provided webinars and seminars sponsored by the CSFMO, CSDA and League of California Cities, with topics ranging from GASB 68 and 75, fraud, and preparing for annual audits. Partner Justin Williams presented on the topic **"GASB Reporting Requirements and Their Effect on Your District"**, **"Assessing the Financial Health of Your District"** and **"Financial Management for Special Districts"** at various CSDA conferences and workshops.

### Board/Finance Committee Training

Our job doesn't stop when we issue your audited financial statement reports. While these reports may be intimidating to interpret, we can help. Our firm offers training to help you understand what the audit report means for the District. We can show you how to read the financial statements and how to use that information to analyze and evaluate the District's financial performance. We have certified professionals who are happy to further talk to you regarding various topic options that can be presented.

## PROPOSAL TO PROVIDE AUDIT SERVICES TO:

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### PROJECT TEAM AND THEIR ROLES

The team assigned to perform the audit of the Mid-Peninsula Water District is composed of highly trained professionals with extensive experience in governmental audit engagements. Our small, efficient working group will maintain a knowledgeable, yet non-intrusive, approach to the audit, and in this way, deliver an audit of exceptional quality requiring few disruptions in the conduct of the District's on-going operations. Engagements at MUN CPAs are conducted under the supervision of an engagement partner and manager, which assures that quality standards are maintained and all client requirements are met.

We propose the following management team for the audit:

JUSTIN WILLIAMS, CPA, Engagement Partner  
ERICA PASTOR, CPA, Concurring Partner  
SUSAN BEETER, CPA, Senior Manager  
BRYAN ARELLANO, Senior Staff Associate

**JUSTIN WILLIAMS, CPA, Engagement Partner**, will serve as engagement partner and will have overall responsibility for the efficiency, timeliness and delivery of the services we provide, including developing and maintaining effective lines of communication with the District. He will directly interface with the District's management and will plan and review the audit.

**ERICA PASTOR, CPA, Concurring Partner**, will perform a secondary review of the engagement, ensuring that all firm and professional standards are adhered to.

**SUSAN BEETER, CPA, Senior Manager**, will be responsible and will coordinate the planning and implementation of audit processes, including daily supervision and technical support of the audit. She will work closely with the District to ensure issues are identified and addressed and that the delivery of services is timely and day-to-day audit functions are performed in an efficient manner.

**BRYAN ARELLANO, Senior Staff Associate**, will draft statutory financial statements, handle specific stages of audit work, ensure work is prepared in compliance with professional standards, detect exceptional items and issues of non-compliance, report unusual items to the senior manager.

#### Professional Affiliations

Our commitment to governmental accounting is further strengthened by our involvement with respected organizations.

**Justin Williams** is a member of the statewide CalCPA Governmental Accounting and Auditing Committee, and the California Special Districts Association Audit Committee and Finance Committee. He has also published accounting and auditing articles and has been a speaker at webinars and seminars sponsored by these organizations with topics including **GASB 84 and 87**, fraud, and preparing for annual audits.

**Erica Pastor** is Past President and current board member of CalCPA-Sacramento Chapter, and a member of the statewide CalCPA Governmental Accounting & Auditing Committee. She is also a member of the GFOA **Certificate of Achievement for Excellence in Financial Reporting Program**, and is frequently asked to review submitted financial statements.

## PROPOSAL TO PROVIDE AUDIT SERVICES TO:

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### Quality of Staff

MUN CPAs staff training and professional development program ensures the staff assigned to the audit of the Mid-Peninsula Water District will maintain the highest levels of professional understanding of the issues impacting the Mid-Peninsula Water District. All professional staff at MUN CPAs, from a brand-new staff associate to a seasoned senior manager, undergo a formal mid-year and year-end performance evaluation process. Our formal evaluation process is designed to provide constructive feedback to continue the professional growth and development of our staff, as well as provide guidance and assistance to allow staff to achieve their professional goals. In between formal evaluations, staff receive informal feedback on specific audit engagements. Finally, our formal staff training program ensures that our audit staff at all levels receive targeted training classes to meet governmental auditing standards, as well as to keep up-to-date on current issues and challenges impacting governmental entities.

### Continuing Education

Continuing education is a top priority for MUN CPA's. Each of our team members receives a wide variety of annual training and content updates from highly qualified instructors, ensuring that they remain on the forefront of issues that could potentially impact our clients.

Individuals who work on audits subject to *Government Auditing Standards* must obtain, every two years, at least 80 hours of CPE that directly enhance the auditor's professional proficiency to perform audits and/or attestation engagements. At least 20 of the 80 hours must be obtained annually. Individuals responsible for conducting substantial portions of the fieldwork, planning, directing, or reporting on audits subject to Government Auditing Standards must obtain 24 of those hours in subjects directly related to the government environment and government auditing.

### Staff Consistency

We understand that the best way to provide the Mid-Peninsula Water District with responsive, quality services is to assign the most qualified individuals to the engagement and maintain continuity of staff on successive engagements. We are committed to maintaining the same staff assigned in this proposal on subsequent engagement years.

Our Firm takes great pride in not only selecting high quality staff members, but also providing them an environment designed for their success and betterment.

We believe staff continuity on engagements is essential to that engagement being successful. Our Firm's mission statement reads:

*To provide responsive, innovative services of the highest quality to our clients; and to provide a positive, rewarding environment encouraging our employees to fulfill their professional and personal goals.*

**PROPOSAL TO PROVIDE AUDIT SERVICES TO:**

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**JUSTIN WILLIAMS, CPA**

Concurring Partner

Justin's professional career includes more than 26 years of public and private accounting experience, of which 24 years has been heavily concentrated on audits of governmental entities throughout Northern California. He has been extensively involved with the California Special Districts Association, providing workshops and webinars to the association members throughout the year



INDUSTRY EXPERIENCE:	Special Districts Municipalities Nonprofit Privately held businesses Retirement / employee benefit plans
OTHER EXPERTISE:	GASB implementation Board of Directors training Federal and State compliance and financial reporting Fraud investigations Internal control implementation Peer reviews
RELEVANT ENGAGEMENT EXPERIENCE:	Diablo Water District South Placer Municipal Utility District Kensington Fire Protection District Rodeo Sanitary District Nevada Irrigation District Santa Nella County Water District Greater Vallejo Recreation District Keyes Community Services District Town of Truckee City of Novato City of Sanger City of Lincoln
DESIGNATIONS:	Certified Public Accountant (CPA)
PROFESSIONAL MEMBERSHIPS:	American Institute of Certified Public Accountants California Society of Certified Public Accountants GFOA Budget Awards Program CSDA Audit Committee Member CSDA Finance Committee Member National Institute of Pension Administrators, Sacramento Chapter
EDUCATION:	Bachelor of Science, Accounting Case Western Reserve University – Cleveland, Ohio



**PROPOSAL TO PROVIDE AUDIT SERVICES TO:**

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**ERICA PASTOR, CPA**  
Engagement Partner

Erica has nineteen years of public accounting experience and has spent fifteen of those years with MUN CPAs. She has extensive experience serving government clients and is a leader in her vocation; she is past President and Board Member of CalCPA – Sacramento.



**INDUSTRY EXPERIENCE:** Special Districts  
Municipalities  
Nonprofit  
Privately held businesses

**OTHER EXPERTISE:** GASB implementation  
Reviewed and compiled financial statements  
Agreed-upon procedures  
Audit committee training  
Annual Comprehensive Financial Reports  
Internal control implementation  
Federal Single Audit Grant compliance  
Grants and contracts compliance

<b>RELEVANT ENGAGEMENT EXPERIENCE:</b>	Ironhouse Sanitary District	City of Piedmont
	Vallejo Flood and Wastewater District	City of Hollister
	Castro Valley Sanitary District	City of Winters
	Yolo County Flood Control & Water Conservation Dist.	City of Novato
	Tahoe City Public Utility District	City of Rio Vista
	South Tahoe Public Utility District	
	Sacramento-Yolo Mosquito & Vector Control District	
	City of Auburn	
	City of Lincoln	
	City of Piedmont	

**DESIGNATIONS:** Certified Public Accountant (CPA)

**PROFESSIONAL MEMBERSHIPS:** American Institute of Certified Public Accountants  
CalCPA Governmental Accounting & Auditing Committee, Sacramento Chapter Chair  
CalCPA, Sacramento Chapter, Past President and Board Member  
GFOA Special Review Committee member

**EDUCATION:** Bachelor of Science, Managerial Economics  
UC Davis – Davis, California,  
Certificate of Accountancy  
National University – Sacramento, California

**PROPOSAL TO PROVIDE AUDIT SERVICES TO:**

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**SUSAN BEETER, CPA**

Senior Manager

Susan has over 24 years of public accounting experience, including 22 years auditing government entities which has included cities and special districts. She provides audit services to a wide range of industries, including governmental and nonprofit entities.



**INDUSTRY EXPERIENCE:** Special Districts  
Municipalities  
Nonprofit Organizations

**OTHER EXPERTISE:** Annual Comprehensive Financial Reports  
GASB Implementation  
Internal control evaluation  
Accounting services  
Inventory observations  
Single Audit compliance  
Grants and contracts compliance

**RELEVANT ENGAGEMENT EXPERIENCE:** Greater Vallejo Recreation District  
Vallejo Flood and Wastewater District  
South Placer Municipal Utility District  
Nevada Irrigation District  
South Tahoe Public Utility District  
City of Piedmont  
City of Gridley  
City of Auburn  
City of Novato  
City of Lincoln

**DESIGNATIONS:** Certified Public Accountant (CPA)

**PROFESSIONAL MEMBERSHIPS:** American Institute of Certified Public Accountants  
California Society of Certified Public Accountants

**EDUCATION:** Bachelor of Science, Business Administration - Accountancy

**PROPOSAL TO PROVIDE AUDIT SERVICES TO:**

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**BRYAN ARELLANO**

Senior Staff Associate

Bryan has over 5 years of public accounting experience and provides audit services to a wide range of industries, including governmental, not-for-profit, retirement plans, and for-profit entities. In his role, Bryan handles specific stages of audit work, ensures work is prepared in compliance with professional standards, and detects exceptional items and issues of non-compliance.



**INDUSTRY EXPERIENCE:**

Governmental agencies  
Nonprofit Organizations  
Retirement plans  
Closely held companies

**OTHER EXPERTISE:**

Internal control evaluation  
Accounting services  
Inventory observations  
Single Audit compliance  
Grants and contracts compliance

**RELEVANT ENGAGEMENT EXPERIENCE:**

South Placer Municipal Utility District  
North Tahoe Public Utility District  
Tahoe City Public Utility District  
Diablo Water District  
Sacramento - Yolo Vector Control  
Vallejo Flood and Wastewater District  
City of Rio Vista  
City of Gridley  
City of Piedmont

**PROFESSIONAL MEMBERSHIPS:**

American Institute of Certified Public Accountants  
California Society of Certified Public Accountants

**EDUCATION:**

Bachelor of Science, Business Administration-Accountancy  
California State University, Sacramento  
  
North Dakota State University - Fargo, North Dakota

**PROPOSAL TO PROVIDE AUDIT SERVICES TO:**

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**LICENSE TO PRACTICE IN CALIFORNIA**

MUN CPAs is a properly licensed, certified public accounting firm in the State of California. All certified public accountants involved in audit engagements of the Firm are licensed to practice in the State of California and have received at least the minimum number of continuing professional education hours required by the State Board of Accountancy, American Institute of Certified Public Accountants, and the U.S. Government Accountability Office's *Government Auditing Standards*.

**INDEPENDENCE**

MUN CPAs is independent Mid-Peninsula Water District as defined by U.S. generally accepted auditing standards and the U.S. Government Accountability Office's *Government Auditing Standards* (latest edition).

MUN CPAs is independent of all associated agencies of the Mid-Peninsula Water District, as defined by U.S. generally accepted auditing standards and the U.S. Government Accountability Office's *Government Auditing Standards* (latest edition).

If MUN CPAs shall enter into a professional relationship that would present a conflict of interest during the period of engagement with the Mid-Peninsula Water District, a written notice will be presented to the District defining such conflict.

**PROPOSAL TO PROVIDE AUDIT SERVICES TO:**

**REFERENCES**

MUN CPAs has provided audit services for several other Special Districts that are similar to that which is requested by the Mid-Peninsula Water District. Below are current clients who can attest to our services and work performed on their behalf. We welcome the District to contact any of our clients as references listed below.

Special District	Contact Information	Scope of Work
Nevada Irrigation District 1026 W. Main Street Grass Valley, CA	Jennifer Hanson, General Manager (530) 273-9185 hansonj@nidwater.com	<ul style="list-style-type: none"> <li>• District audit</li> <li>• ACFR</li> <li>• State Controller's Report</li> </ul>
South Tahoe Public Utility District 1275 Meadow Crest Dr. South Lake Tahoe, CA 96150	Paul Hughes, Chief Financial Officer (530) 543-6211 phughes@stpud.dst.ca.us	<ul style="list-style-type: none"> <li>• District audit</li> <li>• ACFR</li> <li>• GANN Limit</li> <li>• Single Audit</li> </ul>
Tahoe City Public Utility District PO Box 5249 Tahoe City, CA 96145	Ramona Cruz, Director of Accounting (530) 580-6047 rcruz@tcpud.org	<ul style="list-style-type: none"> <li>• District audit</li> <li>• Single audit</li> <li>• GANN Limit</li> <li>• ACFR</li> <li>• State Controller's Report</li> </ul>
South Placer Municipal Utility District 5807 Springview Drive Rocklin, CA 95677	Herb Niederberger, General Manager (916) 786-8555 hniederberger@spmud.ca.gov	<ul style="list-style-type: none"> <li>• District audit</li> <li>• ACFR</li> <li>• Single audit</li> <li>• State Controller's Report</li> </ul>

**PEER REVIEW**

Our firm undergoes a peer review every three years as established by the American Institute of Certified Public Accountants. Our last peer review was completed in June 2019 and resulted in a pass rating with no deficiencies (the highest rating possible) on our system of quality control for accounting and auditing. This quality control review included a review of specific government engagements. *A copy of the Peer Review Report is included on the following page.*

Our current review was completed in June of 2022; we are currently awaiting final approval from the peer review committee which is expected in early June 2023.



### Report on the Firm's System of Quality Control

June 28, 2019

To Mann, Urrutia, Nelson, CPAS & Associates, LLP and the Peer Review  
Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Mann, Urrutia, Nelson, CPAS & Associates, LLP (the firm) in effect for the year ended December 31, 2018. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

#### Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

#### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

190 Camino Oruga, Suite 1 • Napa, CA 94558 • telephone: 707.255.0677 • fax: 707.255.0687  
Member: American Institute of CPAs • California, Hawaii, & Oregon Societies of CPAs



**Required Selections and Considerations**

Engagements selected for review included an engagement performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act, and an audit of an employee benefit plan.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

**Opinion**

In our opinion, the system of quality control for the accounting and auditing practice of Mann, Urrutia, Nelson, CPAS & Associates, LLP in effect for the year ended December 31, 2018, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Mann, Urrutia, Nelson, CPAS & Associates, LLP has received a peer review rating of *pass*.

*Coughlan Napa CPA Company, Inc.*

Coughlan Napa CPA Company, Inc.

**PROPOSAL TO PROVIDE AUDIT SERVICES TO:**

**LIST OF CURRENT PUBLIC AGENCY CLIENTS**

MUN CPAs has provided audit services for several other governmental entities in which the scopes of services are similar to that which is requested by the Mid-Peninsula Water District.

Client	Financial Audit	Single Audit	ACFR	GANN	State Controller's Reports
Vallejo Flood & Wastewater District	Yes	Yes	Yes		
Nevada Irrigation District	Yes		Yes		Yes
Diablo Water District	Yes				Yes
South Tahoe Public Utility District	Yes	Yes	Yes		
Santa Nella County Water District	Yes				Yes
Castro Valley Sanitary District	Yes		Yes		Yes
South Placer Municipal Utility District	Yes		Yes		Yes
Ironhouse Sanitary District	Yes		Yes		
Tahoe City Public Utilities District	Yes	Yes	Yes		Yes
North Tahoe Public Utility District	Yes	Yes		Yes	
Rodeo Sanitary District	Yes		Yes		Yes
Yolo County Flood Control District	Yes	Yes			Yes
Keyes Community Services District	Yes				
Greater Vallejo Recreation & Park Dist.	Yes		Yes		Yes
Sac-Yolo Vector Control District	Yes		Yes		Yes
Kensington Fire Protection District	Yes				Yes
City of Winters	Yes	Yes	Yes	Yes	Yes
City of Hollister	Yes	Yes		Yes	
City of Novato	Yes	Yes	Yes	Yes	
Town of Paradise	Yes	Yes		Yes	Yes
City of Piedmont	Yes			Yes	
City of Sanger	Yes	Yes		Yes	Yes
Town of Truckee	Yes	Yes	Yes	Yes	Yes
City of Gridley	Yes	Yes		Yes	Yes
City of Rio Vista	Yes	Yes	Yes	Yes	
City of Auburn	Yes	Yes		Yes	Yes
City of Lincoln	Yes	Yes		Yes	Yes



## PROPOSAL TO PROVIDE AUDIT SERVICES TO:

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### INFORMATION TECHNOLOGY AND COMMUNICATION

#### Remote Audit Capabilities

We are committed to serving our clients and meeting their deadlines regardless of the current health and social challenges. If public health concerns, client concerns or other issues restrict our team from performing the audit in-person at your offices, MUN CPAs has the technological capabilities and solutions to perform the full audit remotely and complete the audit according to your District' needs and timelines. With the use of our secure Suralink website, management of the Mid-Peninsula Water District will be able to securely provide MUN CPAs with all needed documents and reports. The use of encrypted e-mails will be used to transmit smaller documents. Scheduling regular phone and video calls and audit updates will allow both management of the District and MUN CPAs to remain on the agreed-upon timeline.

#### Protecting Your Data

MUN CPAs takes client data security seriously and has implemented a robust and redundant infrastructure that complies with recommendations of industry leaders and the IRS. An independent security contractor conducts biannual penetration audits and the firm is fully covered by our cyber insurance policy. MUN CPAs employs daily redundant backups of all data off-site at two secure locations. Our system is protected by the latest AI-based antivirus solution that actively learns from real world threats instead of relying on outdated lists, and our next generation firewall, combined with three independent email and attachment scans, protects our communication from hackers and other malicious actors. Sensitive client data containing personally identifiable information is transferred via the same 256-bit SSL encryption that banks use. Firm staff is trained upon hire and again annually on the newest, best practices in internet security and tested monthly with various social engineering scenarios.

#### Communication

Planning and continual communication are essential to developing the appropriate procedures, working collaboratively to resolve any identified issues, and meeting your timelines. We will communicate contemporaneously and directly with management and audit committees of the board regarding results of our procedures, and will anticipate and respond to any concerns of management and the committee.

Although our audits are conducted through a structured, risk-based model, we focus on understanding the client's needs, requirements and expectations. We work collaboratively with management, boards and audit committees to develop a communication and work plan to continuously improve client service.

#### Partner and Manager Availability

We believe your access to the partner and manager before, during and after the audit is important to the relationship between the District and our Firm. The partner and/or manager will be on-site during the audit in order to discuss issues with management of the District. We encourage our clients to call us throughout the year to discuss accounting matters as they arise. There are no additional charges for these routine phone calls.

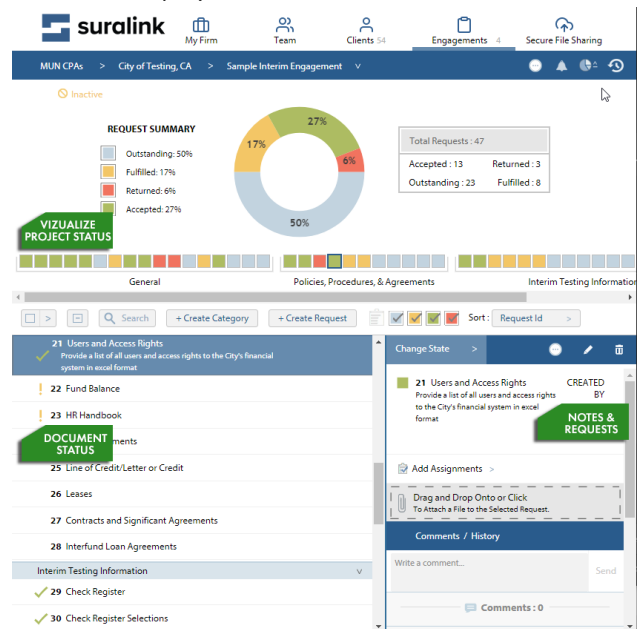
We believe on-going communication throughout the entire audit will ensure that all aspects of the audit are thoroughly addressed. We encourage regular communications throughout the year, not just during fieldwork. As such, we do not anticipate any potential audit problems to arise during our engagement.

## PROPOSAL TO PROVIDE AUDIT SERVICES TO:

### USE OF TECHNOLOGY TO PERFORM OUR AUDITS

We leverage two systems that help us conduct audit procedures remotely while maintaining excellence in communication, document management, records retention, and workflow.

**SURALINK** -In order to improve audit efficiency, workflow management software plays an essential role between your Mid-Peninsula Water District and our engagement team. We employ a secure data file transfer system called **Suralink**. **Suralink's** dynamic request list is integrated with our secure file hosting system for seamless document-request coordination. It means all our requests are in one place, updated in real-time, and accessible only by our engagement team working on your audit and the District's employees who are granted access. You, as a client, no longer have to manually maintain a spreadsheet amongst several people only to repeat the process in a day or two. This not only makes the operation more cost- efficient, it enables you and your team to spend your time getting the job done, not reconciling a messy list of outstanding items. The **Suralink** dashboard, as shown here, allows you to visualize the process of the document-request fulfilment.



With this innovative tool, clients can manage workflow through a centralized individual who can assign and delegate requests to other employees; track project activity by assigned individual, due date, and status with a user friendly, easy-to-use, dashboard interface; quickly view and monitor project progress with an at-a-glance report feature; and access how-to videos and training materials through the enhanced learning center.

**CaseWare and CaseView:** CaseWare is a highly flexible engagement software that facilitates real-time adjustments to your trial balance, resulting in simultaneous updates to your financial statements. It enables us to drill down from supporting audit schedules and documents to the underlying detailed accounts. We plan, perform, and review your entire engagement electronically, eliminating the use of paper.

**CaseView** is a powerful reporting module that helps review of financial statements, as well as any other customized work paper reports. It utilizes an interface that combines the appropriate features of Word and Excel into a single application that engages word processing features for formatting financial information. Some advantages of CaseWare and CaseView are as follows:

- **Automatic financial reports:** This refers to the ability to generate and print financial statements immediately. The numbers in the trial balance are mapped to financial statement tables and foot notes to provide robust and accurate financial statements and reports.
- **Automatic footnotes and other information:** This is the ability to format financial statement footnotes with variables (dates, amounts, etc.) that are automatically updated based upon the trial balances and appropriate work paper information.
- **Virtualization:** This provides a more consistent approach to financial statement design and a reduced risk of errors in the financial statement reports.

## COST PROPOSAL

**PROPOSAL TO PROVIDE AUDIT SERVICES TO:**

**COST PROPOSAL**

In accordance with the Request for Proposal for Audit Services issued by the Mid-Peninsula Water District, we hereby submit the following Fee Proposal for the fiscal years ending June 30, 2023 through June 30, 2025 with the option to extend services for the years ending June 30, 2026 through June 30, 2027.

Our fees are based on estimated hours and hourly rates, determined by each professional's level of experience.

**TOTAL ALL-INCLUSIVE MAXIMUM FEE**

Services	2022/23	2023-24	2024/25	Optional 2025/26	Optional 2026/27
District Audit and related reports	\$26,600	\$26,600	\$26,600	\$26,600	\$26,600
State Controller's Report	3,000	3,000	3,000	3,000	3,000
Management letter	Included	Included	Included	Included	Included
Management Report	Included	Included	Included	Included	Included
Presentation of Audit Findings to Staff and Board of Directors	Included	Included	Included	Included	Included
Out-of-Pocket Expenses	Included	Included	Included	Included	Included
<b>Total for Fiscal Year</b>	<b>\$29,600</b>	<b>\$29,600</b>	<b>\$29,600</b>	<b>\$29,600</b>	<b>\$29,600</b>

**Professional Fees for Additional Services:**

MUN CPAs may also furnish other accounting services, which may include advisory and system accounting services as requested by the Monterey Bay Air Resources District. If the District requests additional services, either to supplement the services requested or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the District and MUN CPAs. Any such additional work agreed to between the District and MUN CPAs shall be performed at the **standard hourly rates listed below.**

Staff Level	Standard Hourly Rate
Partners	\$280
Managers	230
Senior Staff	165
Staff	135



## Technical Proposal for Audit Services

# Mid-Peninsula Water District

Submitted by:

Roger Martinez  
Partner, Audit Practice Leader  
655 N. Central Avenue, Suite 1550  
Glendale, CA 91203  
Tel: (213) 873-1703  
Fax: (213) 873-1777  
Email: [ram@vasquezcpa.com](mailto:ram@vasquezcpa.com)

May 19, 2023



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## 1) Introduction

May 19, 2023

Kathryn Wuelfing  
Assistant General Manager  
Mid-Peninsula Water District  
1075 Old County Road, Suite A  
Belmont, CA 94002

### **Re: Vasquez Technical Proposal to Provide Audit Services to Mid-Peninsula Water District**

Vasquez + Company LLP (Vasquez) is pleased to submit our technical proposal to perform an audit and issue opinions on the Mid-Peninsula Water District (District) financial statements for a three-year base period beginning with the fiscal year ending June 30, 2023, with the option of extending for two additional years.

Vasquez understands the size and complexity of the District, the scope of work, and related organizational and regulatory requirements. Our approach to serving the District is tailored to meet all technical requirements and ensure that we maintain professional skepticism while still providing superior client service. We understand we will:

- Perform an audit and render an auditor's report on the Basic Financial Statements of the District in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States.
  - As part of our audit, we will render a report on the basic financial statements that will include both Government-Wide Financial Statements and Combining Fund Financial Statements, and also apply limited audit procedures to Management's Discussion and Analysis (MD&A), if provided and required supplementary information pertaining to the General Fund and each major fund of the District.
  - We will render our auditor's reports on the District's internal control over financial reporting and compliance with relevant laws and regulations and other matters based on our audit of the financial statements.
- Issue a Management Letter that includes recommendations for improvements in internal control, accounting procedures, and other significant observations that are considered to be non-reportable conditions.
- If applicable, perform a Single Audit and render an auditor's report on the expenditure of federal grants in accordance with U.S. Office of Management and Budget Federal regulations entitled "*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR 200*" (the Uniform Guidance).



- We will issue our report on the District's Schedule of Expenditures of Federal Awards
  - We will render an opinion on the District's compliance with requirements applicable to each Major Program
  - We will render our report on the District's internal controls over the administration of Federal funds.
- Prepare the State Controller's Report for the District.
  - If applicable, prepare a Management Report on any reportable conditions discovered during the audit.
  - Provide guidance on implementing new GASB and OMB requirements and specifics of Federal and State of California regulations pertaining to local government accounting.
  - Provide assistance to meet the requirements of the GFOA program, including preparing answers to all GFOA comments.

Upon request and specifically after our audits, we will be pleased to make a presentation to the District Staff and the Board of Directors, during which we will discuss our audit approach, scope, and results. We pride ourselves on our ability to convey complex information in an informative fashion, free of bias, such that Management and the District Board can evaluate the significance of the information and determine action plans as may be appropriate.

Management can be assured our audits will be performed in accordance with:

- Generally accepted auditing standards generally accepted in the United States of America,
- The standards applicable to financial audits contained in the most current version of the Government Auditing Standards, issued by the Comptroller General of the United States,
- The provisions of the Single Audit Act and the U.S. Management and Budget Uniform Guidance, and,
- Government Accounting Standards Board (GASB) pronouncements.

We understand the impact of the audit approach, risks, and procedures on the District. We remain fully prepared to assist the District with its accounting and independent audit requirements and possess a broad range of skills, experience, and knowledge required to ensure the District continues to experience no lapse in professional accounting services.

### Why Vasquez is the best-qualified firm?

#### Experienced Firm:

- A proven track record of quality services to similar water agencies.
- Member of the AICPA Government Audit Quality Center emphasizing our commitment to the importance of quality governmental audits
- The resources, experience, and reputation to maintain an excellent working relationship, provide all requested services, and share information on emerging regulatory and accounting issues, all in the best interests of the District.

#### Experienced Leaders:

- Roger Martinez, Vasquez Audit Practice Leader and former KPMG office of professional practice partner dealing with complex audit, accounting, and risk management issues at a national level, will lead our delivery of services to the District and direct and supervise the auditors performing the engagement, review the audit results, and provide technical expertise as appropriate.

Roger's experience includes LADWP, the Metropolitan Water District of Southern California, Victor Valley Wastewater Reclamation District, and Desert Water Agency.





- Elisa Stilwell, Vasquez Government Practice Partner, formerly with KPMG, will be the engagement quality control reviewer and provide an objective evaluation of the significant judgments the engagement team made and the conclusions it reached in formulating the auditor's report.
- Elisa's experience includes the City of San Diego Water and Wastewater Funds, the City of Anaheim Water and Electric Utilities, and the City of Pasadena Water and Electric Utilities.

#### Information Technology Expertise:

- Our audit approach includes an on-site and off-site review of the District's Information Technology (IT) general controls by IT professionals with more than 20 years of experience to assess whether the standards of security, integrity, continuity, and control are conducive to reliable processing, consistent with the District's technology standards and appropriate to safeguard your information assets.

#### National Resources:

- As part of the RSM US Alliance, we have access to the resources, tools, and expertise of RSM US LLP (the fifth largest accounting firm in the United States) that can be utilized in service to the District.

#### Our Internal Control-Based Audit Approach:

- Our professionals, with extensive experience in performing financial and compliance audits of local municipalities and other public agencies in California, will bring an unbiased, fresh perspective to the District's systems, operations, and practices. Our experience will allow us to assess your risk and compare your existing policies and practices to those used by other efficient, reputable agencies. We will focus on the critical areas of your operations.
- Our audit approach is unique in that we evaluate and test key internal accounting controls rather than merely performing substantive tests. This approach provides critically important information to District management about the effectiveness of its internal controls.

#### Communication with the District:

- We will hold regularly scheduled status meetings to keep you abreast of our progress.
- We will provide you with meaningful status reports.
- We will take a proactive approach to develop practical solutions to identified challenges.
- Team members, including the engagement partner and quality control partner, will be available year-round.

#### Addressing Critical Accounting Matters:

Recognizing that your interests are best served by highly qualified, knowledgeable, and trained accountants and auditors, we offer our staff and our clients:

- Frequent training in current technical matters and subjects of importance to the finance, accounting, and auditing aspects of local governments, such as new GASB and OMB requirements.
- Specifics of Federal and State of California regulations pertaining to local government accounting, reporting, and compliance.



Timeliness:

- We understand and appreciate the importance of adhering to agreed-upon timelines and meeting deadlines.
- We structure our audit approach to recognize issues early, plan for the orderly completion of our work, and avoid end-of-the-audit surprises.

New GASB Pronouncement Experience:

- Our team has assisted our clients in adopting applicable Governmental Accounting Standards Board (GASB) statements.
- Our firm assists clients in assessing their readiness to implement the new standards and guiding them through the actual implementation.

Providing an Effective and Efficient Audit:

- Our risk-based approach, our high-caliber management team, and our experienced staff ensure that critical issues are not overlooked but instead are promptly identified, communicated to you, and resolved to the District's satisfaction.

Vasquez remains committed to providing the District with the highest level of customer service, and we trust that you will find Vasquez well-qualified to provide the District with professional audit services. I can be reached at the contact information above should you have any questions.

VASQUEZ & COMPANY LLP

**Roger A. Martinez**  
Partner, Audit Practice Leader  
VASQUEZ & COMPANY LLP  
655 N. Central Avenue, Suite 1550  
Glendale, CA 91203  
Tel: 213-873-1703  
Email: [ram@vasquezcpa.com](mailto:ram@vasquezcpa.com)

## 2) Specific Audit Approach

As part of an audit engagement, we leverage a formal project management methodology to help ensure that all tasks are planned effectively and ultimately completed on time and that any changes in the schedule will be properly documented and authorized. As part of the planning process, we will work with you to agree upon a communications plan to set forth the protocols for periodic status updates and escalations throughout the project. In addition, we will provide regular status reporting throughout the audit, consistent with the communications plan.

Embedded within your audit team are experienced project managers who have strong project management skills. These Vasquez team leaders will provide highly collaborative project management expertise and consultation to the District to ensure no surprises during the audit. Additionally, Vasquez will continuously look for ways to improve the management and execution of the audit. We want to ensure that audit planning, scheduling, and budgeting are executed properly and timely.

At each phase of our engagement, our client service standards guide us toward providing an exceptional customer experience – one in which we become a trusted adviser and bring innovative ideas and solutions that deliver value to you.

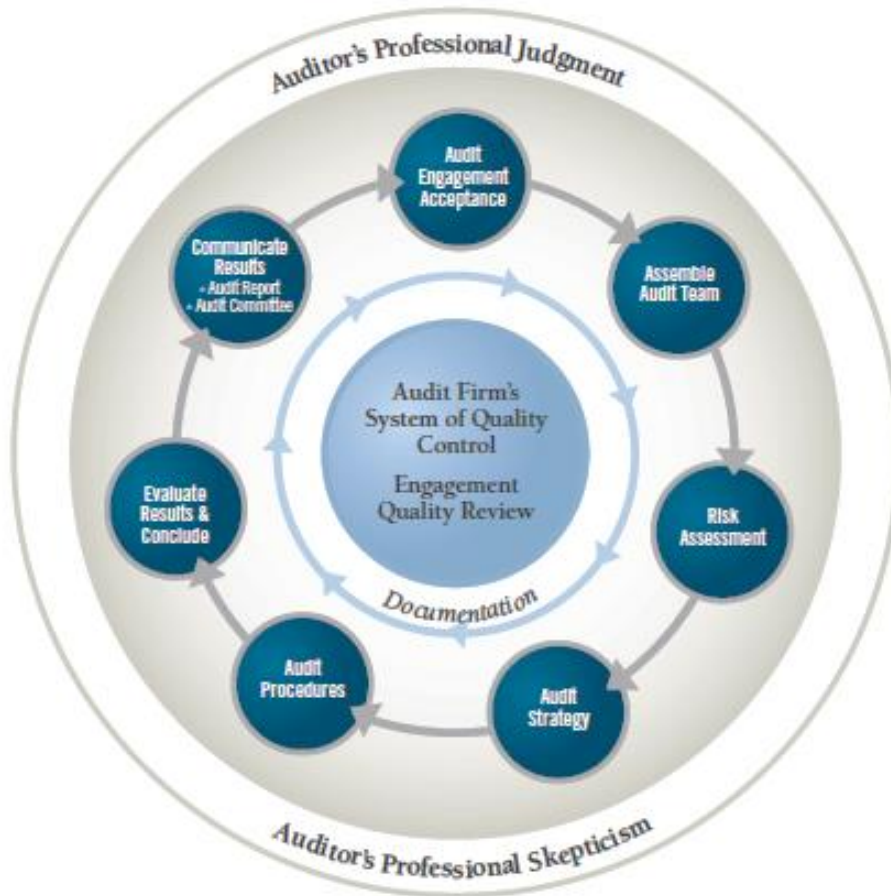
- **We understand.** Our audit and consulting professionals follow our CaseWare process, which provides a thorough understanding of your business, current situation, needs, and expectations to ensure no surprises at each phase of the engagement.
- **We communicate.** Our team is trained to communicate with consistent and open dialogue at the right time to the right people.
- **We collaborate.** We collaborate to bring together the right expertise to meet your needs, resolve emerging issues proactively, and bring innovative ideas and solutions that deliver value to you.
- **We deliver.** We deliver what we promise – on time, on budget, and with the highest quality.



At Vasquez, we want to build strong relationships with our clients and continuously seek to understand ways to ensure that our services align with their needs. We believe it is important to strive for continuous improvement in interacting with and delivering services to clients. We do this, in part, by adhering to defined client service standards and seeking feedback on our performance from our clients.

Every financial statement audit engagement presents a different set of challenges. No two organizations are the same, and therefore, we must tailor the audit to each organization based on the specific risks identified.

Our audit approach is based on a risk assessment process which is planned and executed by experienced auditors. The results as depicted below form the basis for our audit strategy and procedures, and ultimately yield practical comments for strengthening internal controls and improving practices, as well as our opinion on the financial statements and our auditor's reports on internal control and compliance with laws and regulations.



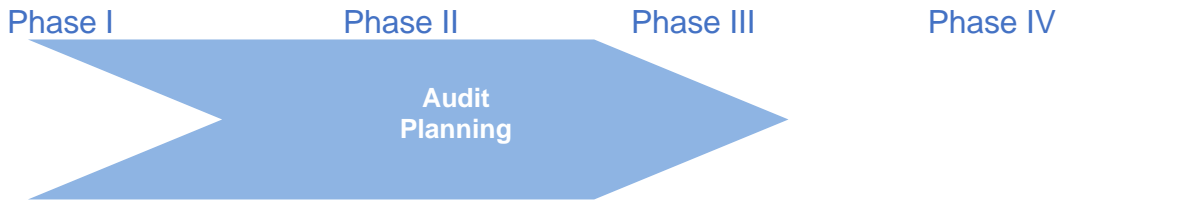
## Risk Assessment

The design of an effective audit plan depends on the audit team's ability to identify and assess the risk that the financial statements contain a material misstatement, whether caused by error or fraud. The risk assessment process will include:

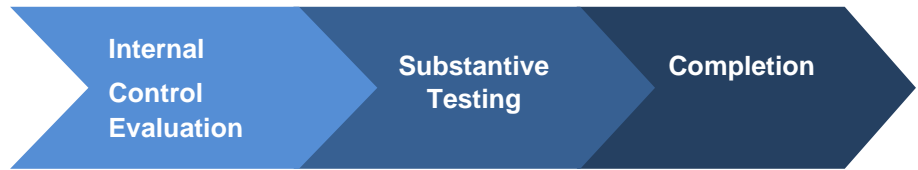
- Obtaining an understanding of the District and the environment in which they operate. This includes efforts to understand the events, conditions, and organizational activities that might reasonably be expected to have a significant effect on the risks of material misstatement. An understanding of the District and the environment will often involve consideration of the regulatory environment, business objectives and strategies, and selection of an application of accounting principles.
- Considering information gathered during the engagement acceptance and continuance evaluation, including prior reports, audit planning activities, previous audits, and other non-audit engagements performed for the District.
- Inquiring of the audit committee, management, and others within the District about risks of material misstatement.
- Obtaining an understanding of the District's internal controls over financial reporting.

Performing analytical procedures, such as comparing the District's current financial statement account balances to prior year financial statements and budgeted amounts and/or comparing current relevant financial ratios to industry ratios or prior year ratios.

### 3) Work Plan



- Familiarize ourselves with operating environment.
- Perform risk assessment procedures.
- Perform preliminary analytical review.
- If applicable, identify major programs for Single Audit testing.
- Develop Audit Plan
- Discuss and agree on financial statement format.
- Reevaluate the progress of the audit and make any changes on audit approach and procedures, if necessary.
- Advise District personnel on new accounting and auditing pronouncements, if needed.
- Provide SAS 114 Planning Communication to Audit Committee/District Board



- Assess internal control environment.
- Perform IT Controls testing and evaluation.
- Perform Fraud evaluation procedures.
- Evaluate design and implementation of key controls.
- Test controls over financial reporting and administration of federal funds, if applicable.
- Identify internal control strengths and weaknesses.
- Draft internal control management letter comments
- Draft auditor's internal control report (GAGAS and Uniform Guidance, if applicable).

- Plan and perform substantive audit procedures, including confirmations, vouching, reconciliations, inspections, observations, inquiring and analytical procedures.
- Perform substantive compliance audit tests over federal and other programs, if applicable.
- Conduct final analytical review.
- Consider Audit Evidence Sufficiency
- Conclude on critical accounting matters.

- Perform completion procedures.
- Perform overall evaluation of the financial statements and disclosures.
- Update and finalize management letter.
- Perform Single Audit administrative matters (Data Collection Form/Federal Audit Clearinghouse), if applicable.
- Conduct Exit Conference with management, including discussion of proposed audit adjustments, internal control and compliance findings and management letter.
- Issue auditors' reports and management letter
- Presentation of the audit results to the those charged with Governance.

## Phase I – Audit Planning

The planning phase lays the foundation for the direction of our audit efforts. It encompasses the following steps:

- Conducting entrance conferences with the appropriate District management personnel. The agenda would include, but need not be limited to the following:
  - The application of generally accepted accounting principles
  - Concerns of District management
  - Report requirements, refinements, and deadlines
  - Initial audit approach and timing schedule
  - Assistance by District personnel
  - Establishment of principal contacts
  - Progress reporting process
  - Consideration of Fraud in a Financial Statement Audit
  - The auditors' responsibility for fraud prevention
  - Scheduling inquiries of management and others (including non-accounting personnel) about the risk of fraud
- We believe it is important for us to assist the District in implementing new accounting, auditing, and compliance requirements. It is for that reason we intend to schedule training with District personnel involved in all phases of the audit so they have a clear understanding of the latest technical changes for their respective areas as well as a clear understanding of the audit requirements and timeline.
- Expanding our understanding of the District and its operating environments. We will accomplish this by familiarizing ourselves and updating our knowledge of applicable background information pertinent to the District, its component units, their mission, funding sources, and structure through our review of the following:
  - Applicable state legislation
  - The District's charter, if applicable, and Municipal Code
  - Organizational charts
  - Minutes of Board and Audit Committee meetings
  - Policies and procedures manuals, administrative codes, rules, and regulations
  - Description of the District's financial and other information systems
  - Recent financial statements and key operating statistics
  - Reports of special audits by regulators or other auditors
  - Contracts and major commitments
  - Grant agreements
  - Significant operating agreements
  - Cost allocation plans
  - Possible effects on the District of the actions of regulatory agencies
  - Fraud risk assessment processes
  - Utility rate ordinances
  - Bond ordinances and offering statements
  - IT Strategic Plan
- Through our background knowledge of the District and our fact-finding process, we will develop an in-depth understanding of the areas of concern. We will be able to meet with District

management to discuss areas that might have a significant impact on the timing and completion of the audits or that may be of particular concern to management. We will review such areas in-depth to obtain an early understanding and resolution of any "problem" areas that may impede our progress and to develop our overall approach so that the District will have sufficient time to develop the data necessary for the completion of the audit with a minimum amount of disruption of the day-to-day routine.

Our planning process will include a specific review of computer activities performed by District personnel to:

- Determine the organizational and operational controls over the data being processed, including, but not limited to system development and maintenance controls, hardware controls, and access controls
- Evaluate the degree of "control consciousness" among personnel
- Determine the potential impact of general control strengths and weaknesses
- Consider the possibility of management override of controls.

Our principal sources of information for this review will be interviews with responsible accounting and computer operations personnel, reviews of program documentation for the District's system, and direct observations made by our audit team.

- The audit team will use our analytical review techniques to identify other areas that may require attention. Until the year-end account balances are finalized, our review will focus on budgets compared to actual/projected information. We can thus identify sensitive areas to determine whether they are indeed areas requiring extra attention. We will also focus on unusual fluctuations occurring within individual funds to identify accounts and areas which merit further investigation.
- Based on our understanding of the District's operating environment, through our analytical review and other planning procedures, we will meet with District personnel to highlight areas to be emphasized during the audit. We will concentrate our efforts on the identified areas of audit concern and areas that we know to be important to District management. Some of our preliminary audit concerns are elaborated as follows:
  - Compliance with applicable laws, regulations, and reporting requirements
  - Receipt of all revenue to which the District is entitled
  - Purchase authorizations within budgetary limitations
  - Adequate safeguarding of District cash, investments, and inventory assets
- We will work directly with the appropriate District personnel to discuss the financial statements and footnotes in accordance with all authoritative accounting systems and interpretations. Accordingly, we will meet to discuss and agree upon the format for the individual and general-purpose financial statements and any additional requirements that may be relevant because of recent or pending professional pronouncements. (See "Phase IV - Completion" for a more in-depth discussion of our financial reporting capabilities.)

### Interim audit testing

Our audit approach is flexible and tailored to fit the District's evolving needs. We will work with you to review the current audit schedule to determine the best approach for the various phases of the financial statement audit. We provide you the option of an interim audit effort or after year-end. There are several advantages to performing interim testing, such as:

- It shifts the timing of our testing into less busy periods of the year for your staff and our staff.
- It allows us to focus on the high-risk areas before the year-end close, providing more time to deal with issues.



- It allows us to judge the quality of the interim period, rather than solely year-end, financial statement information, and cut-offs, which allows more opportunity for us to identify and for the District to implement best practices over internal controls and processes.

There are advantages to performing interim audit testing, and, as we stated previously, we will work with you to determine the best approach, and you will control this process.

## Phase II – Control Evaluation

Understanding how key systems and processes contribute to your overall processing environment and affect the reliability of financial information is a primary element of our audit approach. Our objective is to assess whether the standards of security, integrity, continuity, and control are conducive to reliable processing, consistent with the District's technology standards, and appropriate to safeguard your information assets.

### IT general controls

IT general controls are pervasive controls within the IT environment. The following types of IT general controls are typically addressed in our audit approach:

- **Logical security (access to programs and data)**—includes the components of management governance over Information Technology (policies and procedures, monitoring), application configuration (passwords, service accounts, super users, user identification/authentication), and security of the physical assets.
- **Change control management**—assesses program changes (upgrades, service patches, source code) moved into the production environment. The processes that ensure the appropriate initiation, authorization, segregation, testing, and approval are evident.
- **Data backup and recovery**—reviews that the data backup process and ability to recover data for the financially significant applications, databases, spreadsheets, and operating systems for the given opinion period are complete, tested, and maintained, including the handling of errors.
- **Job processing**—tests for the completeness of data interfacing into the financially significant applications and the change management processes for handling errors, script changes, and interface edits.
- **Security administration**—addresses the user access provisioning (new hire onboarding, position/role changes, employee separation) for the financially significant applications, databases, spreadsheets, and operating systems, along with management's review of access for completeness, segregation of responsibilities, and accuracy.

*Out testing of IT application controls provides strong audit evidence and streamlines the audit process.*

### IT application controls

IT application controls apply to the business processes they support. These controls are embedded within the software applications to prevent or detect unauthorized transactions. When combined with manual controls, application controls verify the completeness, accuracy, authorization, and validity of processing transactions. Our methodology for assessing application controls is as follows:

- Define materiality by the system, such as utility billing, cashiering, purchasing and disbursements, revenues, payroll, and asset management, using business process mapping as a starting point.
- Map various transaction types to identify key controls and determine if the control is an application control or manual control.



- Utilize our proprietary questionnaires to help verify and test various automated controls.
- Through inquiry, review of written policies and procedures, and on-site testing, evaluate application security controls, which are controls to verify that minimum access to applications is allowed for individuals to perform their job.
- Through inquiry, review of written policies and procedures, and on-site testing, evaluate input controls that ensure that transactions are initially recorded, entered, and accepted by the application accurately and completely.
- By developing and testing a sample of transactions, evaluate processing controls, which ensure that transactions are processed by the application programs accurately and completely.
- Through inquiry and review of written policies and procedures, evaluate output controls, which ensure that output is complete and is delivered (standard or customized) to the appropriate parties in an appropriate manner.
- Through inquiry, review of written policies and procedures, and tests of a sample of transactions, evaluate interface controls, which ensure that transactions between multiple systems are secure and integrity of the information transmitted is maintained, accurate, and complete.

### Phase III – Substantive Testing

Sampling is one of the methods we use to obtain efficiency in the audit process. In designing and implementing a sampling plan, we consider the specific audit objective to be achieved and determine that the audit procedures to be applied will achieve that objective. We will:

- Define the objective of the test.
- Define the population to be sampled, the population element to be examined (sampling unit), and what an error is.
- Determine which sampling technique is most appropriate.
- Determine the appropriate sample size and select a sample intended to represent the population.
- Examine each sample item to determine whether it represents an error or an exception.

Substantive Testing – The purpose of the substantive tests is to provide reasonable assurance of the validity of the information produced by the accounting system. These tests will include various detailed tests, such as inspection of underlying source documents, confirmations, and reconciliations. We will also perform analytical procedures, including ratio analysis, comparisons of actual-to-budget information, and other procedures. Specifically, tests that we have found to be effective and efficient for the District audits include confirmation of cash, investments, grants receivable, loan balances and debt, tests of subsequent receipts for selected receivables, and unrecorded liabilities for payables.

Consideration of Fraud – The primary responsibility for preventing and detecting fraud rests with those charged with governance and management. It is important that management, with the oversight of those charged with governance, places a strong emphasis on fraud prevention, which may reduce opportunities for fraud to occur, and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and punishment. This involves a commitment to creating a culture of honesty and ethical behavior, which can be reinforced by active oversight by those charged with governance. Oversight by those charged with governance includes considering the potential to override controls or other inappropriate influences over the financial reporting process.

We are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Accordingly, as part of our audit planning process, we will perform procedures to obtain information that will be used for identifying the risks of material misstatement due to fraud, such as the following:

- Discussions with management and others within the District. These discussions would focus on obtaining an understanding of management's: (a) assessment of the risk that the financial statements may be materially misstated due to fraud, including the nature, extent, and frequency
- of such assessments; (b) process for identifying, responding to and monitoring the risks of fraud in the District, including any specific risks of fraud that management has identified or that have been brought to its attention, or classes of transactions, account balances, or disclosures for which a risk of fraud is likely to exist; (c) communication, if any, to those charged with governance regarding its processes for identifying and responding to the risks of fraud in the District; and (d) communication, if any, to employees regarding its views on business practices and ethical behavior. We will also make inquiries of management, and others within the District as appropriate, to determine whether they have knowledge of any actual, suspected, or alleged fraud affecting the District.
- Discussions with those charged with governance. We will obtain an understanding of how those charged with governance exercise oversight of management's processes for identifying and responding to the risks of fraud in the District and the internal control that management has established to mitigate these risks.
- Evaluation of unusual or unexpected relationships identified. Unusual or unexpected relationships, variances, or balances that we may identify during our preliminary analytical review procedures will be evaluated for an indication of risks of material misstatement due to fraud.
- Discussions among our audit team members. This discussion will involve exchanging ideas or brainstorming among our audit team members about how and where the District's financial statements might be susceptible to material misstatement due to fraud, how management could perpetrate and conceal fraudulent financial reporting, and how assets of the District could be misappropriated.

Adjusting Journal Entries – Adjusting journal entries proposed by our auditors, if any, will be discussed and explained to the Finance Director and others as appropriate. It is our practice to discuss issues and proposed audit entries with the program manager or management personnel immediately responsible for the program to ensure that we have not misunderstood that particular situation. This will ensure that the proposed entry or management comment and recommendation are accepted by the immediate manager and ensure that the recommendation is feasible and makes business sense. It is also our policy to address issues and resolve them as they arise rather than at the end of the audit. In short, there will not be any surprises.

Our work plan's final element is the regular reporting to District management personnel to apprise them of our progress. We believe communication is vital. Therefore, we have stressed the importance of continuous close relationships throughout this proposal and have indicated the various points we will meet for specific discussions and decisions.

*Any and all potential exceptions or findings will be immediately discussed with knowledgeable personnel and summarized in weekly status meetings to ensure accuracy of any findings, time for management to correct noted deficiencies and the avoidance of any surprises.*

## Phase IV - Reporting

- Review federal, state, and other grant reporting requirements,
- Determine which internal control findings are significant deficiencies or material weaknesses,
- Prepare findings and draft the auditors' reports,
- Review draft reports with District management, and
- Evaluate management feedback and proposed corrective actions, make revisions as necessary, and finalize the report.

Ample time will be provided for management review of all reports in draft form.

## Performance Improvement Observations

After our audit, separate from any significant internal control deficiencies or items of noncompliance we may have identified and included in the respective auditors' reports, we will also provide our comments and observations for improvements to operating, accounting, and business practices. The diverse experience of our personnel and the fresh perspectives of our team members, combined with their independent and objective viewpoints, will likely yield valuable information. The findings and other comments will contain, as warranted and appropriate:

- Specific recommendations for improving accounting practices and procedures and internal accounting and administrative controls.
- Comments on the design, controls, and audit trails of new and redesigned automated systems and suggestions to improve processing methods and procedures.
- Suggestions for operational improvements or cost efficiencies noted during our examination.
- Comments relative to ensuring compliance with the applicable laws, rules, and regulations, including Office of Management and Budget (OMB) and U.S. Government Accountability Office (GAO) guidance and regulations.
- Comments regarding the implementation of the new GASB pronouncements.
- Other comments, recommendations, or observations regarding best practices that we believe may be of interest.

## Single Audit Approach

If a single audit is required, we will utilize an integrated audit approach. This means we will coordinate the Single Audit testing of major federal programs with the testing of internal controls and systems in conjunction with the financial statement audit. Each major program requires a separate opinion on compliance with federal rules and regulations. The scope of our testing will be sufficient and specific enough to allow opinions on each of the District's major programs. In addition, we will perform risk assessment procedures, including:

- Review of prior years' reported findings; and
- Consider the extent of continuing or new personnel assigned to administer each major federal program.

Our procedures for testing major federal programs will be performed as follows:

- Hold a planning meeting with the accounting managers and grant administrators.
- Make a preliminary assessment of the condition of the records and controls and determine the procedures necessary to document the systems.
- Obtain copies of the grant agreements under which federal financial assistance is provided.
- Document any program-specific compliance requirements in the agreements beyond those included in the OMB Compliance Supplement.
- Review reports completed to meet the federal financial reporting requirement.

- Document our understanding of program requirements and other laws and regulations.
- Establish detailed work plans and audit timetables in conjunction with management.
- Schedule regular status meetings to monitor the audit process.
- Review the inventory of grants and other federal and state assistance.
- Test the completeness and accuracy of the schedule of expenditures of federal awards.
- Examine any external, state, and federal audit reports for control weaknesses, compliance exceptions, or questioned costs.

### Description of analytical procedures to be used in the engagement, including sampling.

Analytical review techniques will be utilized to identify other areas that might require attention. Until the year-end account balances are finalized, our review will focus on budgets compared to actual/projected information. We can, thus, identify certain sensitive audit areas to determine whether they are indeed areas requiring extra attention. We will also focus on unusual fluctuations occurring within individual funds to identify accounts and areas which merit further investigation.

Based on our understanding of the District's operating environment, through our analytical review and other planning procedures, we will meet with the District personnel to highlight areas to be emphasized during the audit. We will concentrate our efforts on the identified areas of audit concern and areas we know are important to the District Officials. Some of our preliminary audit concerns are elaborated as follows:

- Compliance with applicable laws, regulations, and reporting requirements
- All matters of compliance with GASB statements and interpretations
- Receipt of all revenue to which the District is entitled
- Purchases are authorized and within budgetary limitations
- Encumbrances and liabilities are recorded and charged to proper budgetary accounts
- Proper accounting and disclosure of developer agreements and similar commitments
- Proper accounting for capital assets, including infrastructure assets
- Proper recording of outstanding obligations

The extent of testing and sampling depends on many factors, including environmental controls, the program's complexity, previous audit findings, changes in federal statutes, and the number of locations at which controls are administered. Our sampling plan will conform to the AICPA's guidance for testing compliance. However, the number of sample sizes will depend on assessing controls and the inherent risk of noncompliance in a major program.

### Approach to be taken to understand, review, and make recommendations regarding the District's internal controls.

To gain and document our understanding of the District's internal control structure, we will review the District's policies and procedures, meet with appropriate management personnel to ascertain the actual operation of policies and procedures, and carry out compliance tests to document internal control strengths and weaknesses. In reviewing controls over information technology systems, the emphasis would be placed on the following:

- Determination of the organizational and operational controls over the data being processed, including but not limited to system development and maintenance controls, hardware controls, and access controls
- Evaluation of the degree of "control consciousness" among personnel
- Determination of the potential impact of general control strengths and weaknesses
- Consideration of the possibility of management override of controls

Description of any anticipated potential audit problems, the firm's approach to resolving these problems, and any special assistance that will be required of the District.

Every financial statement audit engagement presents a different set of challenges. No two organizations are the same, even in the public sector. Therefore, we tailor the audit to each organization based on the specific risks identified. We address the issues to meet the specific needs of our clients. Below are the more common audit issues that we have addressed in the past or are trying to proactively address to ensure our services are delivered timely and based on our client's expectations.

The COVID-19 Pandemic has not changed the nature and scope of audits. It has, however, changed how we perform procedures and how we interact with auditees. Almost 100% of all audits over the last year have been conducted remotely by Vasquez to help us and our clients comply with CDC guidelines. Vasquez was ready to perform remote audits from day one because we have been paperless for over 15 years. Over the last year, we have completed 100s of remote audits because of the following:

1. Equipment – All our auditors are equipped with the necessary equipment to work anywhere worldwide. We have also issued scanners, printers, monitors, and other equipment to help our personnel set up home offices.
2. Communication – the office extensions are linked to our staff's computers and cell phones. This means that our clients can call our people at the same number regardless of where they are in the world. We have also established strict communication policies to ascertain our personnel responds to our client's needs within 24 hours.
3. Office 365 – Vasquez has fully implemented the Office 365 suite of products that allows our personnel to collaborate and our clients in a cloud-based environment. This includes using Microsoft Teams, SharePoint, and other video conferencing tools.
4. Audit and research tools – Vasquez uses CaseWare, an audit software package that allows teams to virtually work on projects in a secure environment. Our managers and partners can simultaneously oversee the work done by an engagement team.
5. Secured data room – Vasquez uses Citrix ShareFile to securely transfer data between our clients and our audit teams without file size restrictions. The portal has a document management process flow that easily tracks all the documents requested by the audit team so that all our clients have to do is drag and drop them into the portal. In addition, our clients and engagement teams get a daily update of all the documents that have been uploaded and those that are still open. This data flow allows us to monitor the progress of the audit at all times.
6. RSM Alliance – as a member of the RSM Alliance, we utilize the same tools, software, methodology, and specialist as the 5th largest firm in the country. This allows us to stay up to date with the latest developments relevant to our clients, collaborate with firms across the country, and provide technical resources to our clients on the latest industry developments.
7. AICPA G400 – as a member of the top 1% of CPA firms in the country, we stayed on top of all the latest developments in the audit profession, including how to address government funding and how to conduct a remote audit properly.
8. Global and multi-location experience – Vasquez has served clients with multiple locations in the U.S. and worldwide for decades. This experience has given us knowledge of how to conduct procedures in a remote environment.
9. Flexibility – if our client records are not available electronically, we have the flexibility to send auditors to the client's site to audit records live. Ultimately, we do what works best for our clients.

Additional work tasks and products the Auditor recommends in addition to those specified in this RFP's Scope of Work.

None.

#### 4) Description of Firm's Experience

Vasquez has over 50 years of experience performing financial, compliance, and performance audits, internal control reviews, fraud investigations, and risk assessments of government agencies. As a regional firm with former partners and managers with international accounting firms, we offer superior service characterized by timely, personalized attention. Our professionals deliver innovative yet practical solutions that help clients gain a competitive advantage.

The following represents a partial list of benefits that would be available to the District as a client of the firm:

- Specialty and expertise in financial, compliance, internal, and performance audits
- Knowledge of Government "best practices"
- Extensive partner involvement
- Practical information about current trends
- Routine consultation throughout the year
- Cutting-edge technology utilized to minimize audit costs for you
- Quality assurance built into all aspects of the engagement, from staffing to planning, execution, and reporting

#### Firm Resources

The Vasquez Government Practice Group comprises 200+ professionals trained and experienced in serving government entities, specializing in California cities, municipal water, transportation, education, and other special districts.

The Vasquez Government Practice Group are professionals from international accounting firms seeking to focus on their chosen industry – mainly government and nonprofit – and work with greater autonomy in a progressive, agile, and client-centric environment. The Vasquez leadership consists of eight (8) partners, each previously working with one or more global accounting firms. This experience ensures a firm emphasis on quality, innovation, performance standards, opportunity, discipline, and professional growth.

#### National Resources

Vasquez is an integral part of the RSM US Alliance, a premier affiliation of independent accounting and consulting firms in the United States, with more than 75 members in over 38 states, the Cayman Islands, and Puerto Rico. This affiliation gives us access to a full range of national and international capabilities. As a member of the RSM US Alliance, Vasquez has access to the resources and services RSM provides its clients. We accepted an invitation to become a member of the RSM US Alliance because it is a natural fit with our commitment to our clients and our determination to stay at the forefront of developments affecting accounting and consulting firms today.



**Office Locations**

We will serve the District from our headquarters based in Glendale: We will provide one partner, one senior manager, one audit supervisor, one IT audit manager, and two staff auditors.

<p><u>Headquarters</u>                  655 N. Central Avenue Suite 1550                  Glendale, CA 91203                  t) 213-873-1700                  f) 213-873-1777</p>	<p><u>Fresno</u>                  8050 N. Palm Ave., Suite 300                  Fresno, CA 93711                  t.) 559-389-5124</p>	<p><u>Irvine</u>                  7545 Irvine Center Dr., Suite 200                  Irvine, CA 92618                  t) 949-623-8798</p>	<p><u>Las Vegas</u>                  3753 Howard Hughes Parkway Paradise, Unit 200                  Las Vegas, NV 89169                  t) 702-784-7644</p>
<p><u>Manila</u>                  29F Rufino Tower                  6784 Ayala Avenue                  Makati City, 1226                  Philippines</p>	<p><u>Phoenix</u>                  Two North Central Avenue, Suite 1800                  Phoenix, AZ 85004                  t) 602-759-7319</p>	<p><u>Sacramento</u>                  1215 K Street                  17<sup>th</sup> Floor                  Sacramento, CA 95814                  t) 916-503-3269</p>	<p><u>San Diego</u>                  402 West Broadway                  Suite 400                  San Diego, CA 92101                  t.) 619-595-3100</p>

**Quality Control**

Vasquez has an extensive quality control program designed to monitor compliance with the audit and accounting professional standards and firm policies. Our client service approach requires the active involvement of experienced partners and managers in the consulting and audit engagements to ensure that critical issues are identified and resolved on a timely basis.

**Review Process**

All audit engagements must have a secondary review by either a report review specialist or a concurring reviewer. Before the reports, the financial statements and any letter communicating reportable conditions and other deliverables are released, they must be reviewed by a report review specialist not otherwise associated with the engagement. The report review specialist's role is supportive of the partner and, organizationally, they are responsible for one or more offices.

Before the commencement of fieldwork and as the engagement progresses toward completion, the report review specialist is expected to aid the partner and the audit team resolve difficult accounting, auditing, and reporting issues. Upon completing the partner review and before the report's release, the report review specialist must review the financial statements, our report thereon, and the letter communicating reportable control structure conditions and any other special reports or deliverables to be issued.

The audit plan is reviewed and concurred with by a concurring reviewer designated for the industry before the commencement of fieldwork if the industry is designated as "high risk" by firm policy or when engagement risk is otherwise assessed as high, and the engagement is a first-time audit for the firm. If a concurring review is performed during planning, this reviewer will also perform a review of all of the firm's reports, as well as discuss significant audit findings and issues with the engagement partner.

**Performance Monitoring and Assessment**

The objective of the engagement performance element of our quality control is to provide reasonable assurance that:

- Engagements are consistently performed in accordance with applicable professional standards and regulatory and legal requirements,
- Our firm or engagement partner issues reports that are appropriate in the circumstances.



Policies and procedures for engagement performance address all phases of the design and execution of the engagement, including engagement performance, supervision responsibilities, and review responsibilities.

Policies and procedures require that consultation takes place when appropriate. Also, our firm has established criteria against which all engagements are to be evaluated to determine whether an engagement quality control review should be performed.

We satisfy the above objectives by establishing and maintaining the following policies and procedures:

- Planning for engagements meets professional, regulatory, and firm requirements.
- Qualified engagement team members review work performed by other team members on a timely basis.
- Vasquez establishes procedures addressing the nature, timing, extent, and documentation of the engagement quality control review.
- Vasquez establishes criteria for the eligibility of engagement quality control reviewers.
- Vasquez requires that consultation take place when appropriate; that sufficient and appropriate resources are available to enable appropriate consultation to take place; that all the relevant facts known to the engagement team are provided to those consulted; that the nature, scope, and conclusions of such consultations are documented; and that conclusions resulting from such consultations are implemented.

Management follow-up procedure internally called "Voice of the Client" to set the tone of "how we did" and "where we can improve."

### [GASB Pronouncements](#)

Our firm encourages the early adoption of all applicable Government Accounting Standards Board (GASB) statements. Some of these standards have been monumental in establishing new financial reporting requirements for state and local governments throughout the United States and restructured much of the information presented in the past.

As a member of the RSM US Alliance, Vasquez personnel are routinely updated through RSM's formal and informal relationships with the officials of most key federal departments.

### [Office of Management and Budget \(OMB\) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#)

We are proposing an engagement team with substantial experience in auditing governmental entities for both financial and compliance audits for the District. Our industry-focused staff has undergone training courses dedicated to governmental accounting, auditing, and financial reporting, and specialized training in the compliance requirements of OMB Uniform Guidance regarding changes in Single Audit requirements. In addition, our partners have conducted training for professional organizations on Uniform Guidance.

### [Government Audit Quality Center](#)

Vasquez is an AICPA Governmental Audit Quality Center (GAQC) member. Membership in the AICPA GAQC demonstrates our commitment to quality in the performance of governmental audits. Leveraging the Center's benefits enables us to access resources designed to enhance audit quality and apply audit best practices.

### GFOA Client Awardees

Vasquez professionals are acknowledged experts on GAGAS regulations and GASB reporting requirements. In addition, we have substantial experience in preparing Comprehensive Annual Financial Reports that have assisted our clients in achieving the Government Finance Officers Association Award for Excellence in Financial Reporting.

Cristy Canieda, Vasquez Government Practice Leader, is a reviewer for the Government Finance Officers Association. The following is a representative list of significant government client engagements that have achieved their Certificate of Achievement for Excellence in Financial Reporting.

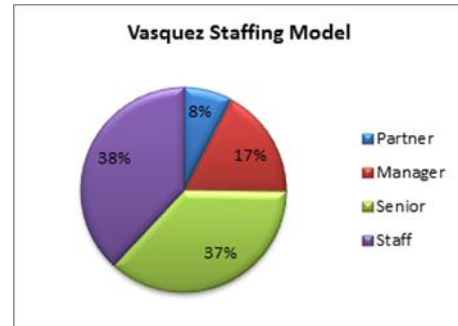
- City of Baldwin Park
- City of Carson
- City of Culver City
- City of El Monte
- City of Lynwood
- City of Simi Valley
- City of Torrance
- Encina Wastewater Authority
- United Water Conservation District
- San Joaquin Regional Transit Agency
- Water Replenishment District of Southern California
- Upper San Gabriel Valley Municipal Water District
- Victor Valley Wastewater Reclamation Authority

## 5) Project Team

Our team structure, staffing, service approach, communication, and coordination are refined to fit the District's unique needs. We staff our engagements with individuals focused on a dedicated industry. Their dedication and understanding will result in the continuity of the team members year after year.

Vasquez has built its reputation on close partner involvement and strong client relationships. However, the ultimate success of our client relationships is largely attributable to one key component – our people. Our engagement teams are structured with extensive partner involvement. As a result, our average partner-to-staff leverage ratio is higher than most other firms. As a result, our budgeted hours include higher partner involvement than what you may have experienced in the past.

Beyond partner leadership and support, an audit is only as good as the people doing most of the work daily. Therefore, we are committed to providing a staff resource pool that embodies the attributes you expect of your auditor, including technical expertise in GASB, knowledge of government and utility industries, and soft skills such as respect, empathy, and timely response to questions.



### Continuing Professional Education Program

To ensure that our professional staff remains up to date on the latest audit and accounting developments and meets the requirements for maintaining active licensure in good standing, we see that our professional staff receives the required number of CPE hours within the established period. Vasquez also conducts in-house seminars for the professional staff. We offer the following CPE Programs for our staff:

- Continuing Education courses provided by the American Institute of Certified Public Accountants (AICPA), which the firm sponsors live and in-house for its staff and clients, conducted by highly qualified professionals from the AICPA and the California CPA Education Foundation.
- Attendance at conferences and seminars related to government accounting sponsored by:
  - Government Finance Officers Association
  - Association of Local Government Auditors and the
  - California Society of Municipal Finance Officers
  - RSM US Alliance.

### Staff Continuity

Vasquez will not replace any of the "key management personnel" unless circumstances beyond our control occur (e.g., personnel leaves the firm). Each person to be assigned to the engagement has been chosen for their ability to repeat future years' engagements. A synopsis of the team members and their respective roles followed by their resumes is as follows:

Team Member	Role
<b>Roger A. Martinez, CPA</b> Lead Partner	Roger Martinez, Vasquez Audit Practice Leader formerly with KPMG's national office, will lead services and supervise the auditors in performing the audit engagement and provide technical assistance as appropriate.  Roger's experience includes LADWP, the Metropolitan Water District of Southern California, the Encina Wastewater Authority, and the Municipal Water District of Orange County.

Team Member	Role
<p><b>Elisa Stilwell, CPA, CGMA</b>                      QC Partner</p>	<p>Elisa Stilwell; Vasquez Government Practice Partner formerly with KPMG will have the responsibility of technical reviewer for the engagement. She will be the primary professional standards reviewer of reports issued and will work closely with the Engagement Lead Partner in reviewing and evaluating the audit fieldwork and reports.</p> <p>Elisa's experience includes the City of San Diego Water and Wastewater Funds, the City of Anaheim Water and Electric Utilities, and the City of Pasadena Water and Electric Utilities.</p>
<p><b>Jay Toledo, CPA</b>                      Audit Sr. Manager</p>	<p>Jay Toledo, Vasquez Audit Sr. Manager formerly with PwC, will manage the day-to-day activities and task accomplishments, monitors progress, and ensure schedule compliance.</p> <p>Jay's experience includes Encina Wastewater Authority, United Water Conservation District, and Victor Valley Wastewater Authority.</p>
<p><b>Hing Wan, CISA</b>                      IT Audit Manager</p>	<p>Hing Wan, Vasquez IT Audit Manager, will oversee audit procedures pertaining to the District's financial systems and Information Technology.</p> <p>Chun's IT risk-based controls assessments approach for evaluating and testing internal controls provides management, and the Governing Board added assurance.</p>
<p><b>Emer Fabro</b>                      Audit Supervisor</p>	<p>Emer Fabro, Vasquez Audit Supervisor formerly with EY, will perform audit activities and task accomplishments. He will also ensure ongoing, timely communication among all engagement team levels, ensuring our audit process's smooth operation.</p> <p>Emer's experience includes Santa Clara Valley Water District, Desert Water Agency, and Victor Valley Wastewater Authority.</p>



**ROGER A. MARTINEZ, CPA**  
Partner

### Areas of Expertise

Roger's areas of expertise include overseeing all aspects of financial and compliance audits including internal control reviews and Single Audits performed in accordance with Office of Management and Budget Uniform Guidance, program specific audits, financial statement reviews and forecasts and projections to government agencies.

### Representation of Experience

- Arizona Water Company
- Big Bear Municipal Water District
- City of Needles Public Utility Authority
- City of Vernon Light and Power
- City of Long Beach Water Department
- Encina Wastewater Authority
- Hidden Valley Municipal Water District
- Imperial Irrigation District
- Los Angeles Department of Water and Power
- Metropolitan Water District of Southern California
- Pacific Gas & Electric
- San Diego Gas & Electric Company
- San Gabriel Valley Water Company
- Southern California Edison Company
- Southern California Gas Company
- United Water Conservation District
- Upper San Gabriel Valley Municipal Water District
- Water Replenishment District of Southern California
- Victor Valley Wastewater Reclamation Authority

### Professional Background and Affiliations

Roger has provided professional audit and consulting services to some of the largest and most complex governmental or regulated entities in California, including Los Angeles Department of Water and Power, Metropolitan Water District, Imperial Irrigation District, Pacific Gas and Electric, City of Long Beach, Los Angeles Unified School District, and the California State University System. He has also served as a quality technical reviewer of utilities at a national level.

### Educational Background

Roger received his Bachelor of Arts, Major in Economics and Minor in Accounting from UCLA. He remains current on accounting matters by attending conferences and continuing education courses which are focused on subjects applicable to governmental accounting and financial reporting, as well as federal and state regulatory matters and auditing requirements. He maintains compliance with the continuing education requirements of the AICPA and the California Board of Accountancy.



**ELISA A. STILWELL, CPA**  
Partner

### Areas of Expertise

Elisa's areas of expertise include overseeing all aspects of financial and compliance audits including internal control reviews and Single Audits performed in accordance with Office of Management and Budget Uniform Guidance, program specific audits, financial statement reviews and forecasts and projections to government agencies.

### Representation of Experience

- City of Anaheim Water and Electric Utilities
- City of Pasadena Water and Electric Utilities
- City of Oxnard Water and Wastewater Funds
- City of San Diego Water and Wastewater Funds
- City of Santa Barbara Water Fund
- City and County of Honolulu
- County of San Bernardino
- County San Diego
- County of Santa Barbara
- County of Ventura
- City of Moorpark
- California State Teachers' Retirement System
- California State University System
- Los Angeles Community College District
- University of California System
- University of the Pacific

### Professional Background and Affiliations

Elisa has been a participant in numerous seminars of governmental accounting and auditing. Elisa has been an instructor and speaker for clients and staff on a wide range of technical topics including public sector topics, GASB pronouncements, Office of Management and Budget compliance requirements, insurance industry topics and NAIC statutory accounting principles, and Sarbanes-Oxley Act requirements.

- Certified public accountant in California
- KPMG Alumni and Current Professionals
- Member, American Institute of Certified Public Accountants
- Actively involved in community service activities

### Educational Background

Elisa holds a Bachelor of Arts Degree in business economics and sociology from the University of California, Santa Barbara. She remains current on accounting matters by attending conferences and continuing education courses which are heavily focused on subjects applicable to governmental accounting and financial reporting, as well as federal and state regulatory matters and auditing requirements. She maintains compliance with the continuing education requirements of the AICPA and the California Board of Accountancy.



**DOMINADOR (JAY) TOLEDO, JR., CPA**  
**Audit Senior Manager**

### Area of Expertise

Jay's areas of expertise includes managing all aspects of financial and compliance audits, including internal control reviews and single audits performed in accordance with Office of Management and Budget Uniform Guidance, program specific audits, financial statement reviews, forecasts and projections to government agencies.

### Representation of Experience

- Arizona Water Company
- Big Bear Municipal Water District
- Encina Wastewater Authority
- San Gabriel Valley Water Company
- United Water Conservation District
- Victor Valley Waste Reclamation Authority
- Water Replenishment District of Southern California

### Professional Background

Jay's professional background includes auditor and manager positions with PwC.

### Educational Background

Jay received his Bachelor of Science degree in Accountancy from Far East University. He remains current on accounting matters by attending conferences and continuing education courses applicable to governmental accounting and financial reporting, as well as federal and state regulatory matters and auditing requirements. He has maintained compliance with the continuing education requirements of the AICPA and the California Board of Accountancy.



**CHUN HING GEND WAN, CISA**  
IT Audit Manager

### Area of Expertise

Hing's practice is focused on planning, operational audits and reviews of IT Enabled Business Transformation; Global & Regional Project/Program Management; Business Process and Systems Management/Optimization; Shared Services, Business Process Outsourcing; Activity Based Management; IT Governance, Risk and Compliance; Sarbanes – Oxley (SOX) 404; IT Audit and Controls; ERP Security and Controls; ERP Materials Management; Enterprise Information Architecture; Master Data Management; Business Intelligence; Resolution and Incident Management; Performance Metrics; Global & Regional Team Development & Management.

### Representation of Experience

- United Water Conservation District
- Water Replenishment District of Southern California
- Victor Valley Wastewater Reclamation Authority
- Desert Water Agency
- Santa Clara Valley Water District
- San Gabriel Valley Water Company
- Arizona Water Company
- 

### Professional Background and Affiliations

Hing's prior experience includes Audit Manager at Globe Telecoms, Inc. the leading telecommunications company in the Philippines. Prior to joining Globe in August 2021, he was a manager at Ernst & Young, under the Consulting Practice specializing in Technology Risk services. He has worked on a variety of engagements in the field of Information Technology (IT) audit, service organization controls reporting (SOCR), and management testing.

Hing is a Certified Information Systems Auditor (CISA).

He is a member of the IT Committee of the Philippine Institute of Certified Public Accountants (PICPA).

### Educational Background

Hing received his Bachelor of Science in Accountancy from San Beda University, Philippines. He remains current on accounting matters by attending conferences and continuing education courses applicable to a Finance/IT professional.





**EMER FABRO**  
Audit Supervisor

### Area of Expertise

Emer's practice is focused on managing financial and compliance audits, including internal control reviews and Single Audits performed in accordance with Office of Management and Budget Federal regulations entitled "*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR 200*" (the Uniform Guidance), program specific audits, financial statement reviews, forecasts and projections to government agencies and nonprofit organizations.

### Representation of Experience

- California State Treasurer's Office
- City of Baldwin Park
- City of El Monte
- City of Simi Valley
- Desert Water Agency
- Municipal Water District of Orange County
- San Joaquin Regional Transit Agency
- Santa Clara Valley Water District
- Victor Valley Wastewater Reclamation Authority
- Water Replenishment District of Southern California

### Professional Background

Emer's professional background includes senior auditor with EY where his practice focused on external audits, reviews, agreed-upon procedures, financial reporting, and business consolidation. His expertise also includes GAAP/IFRS Compliance. He is a Certified Public Accountant licensed to practice in the Philippines.

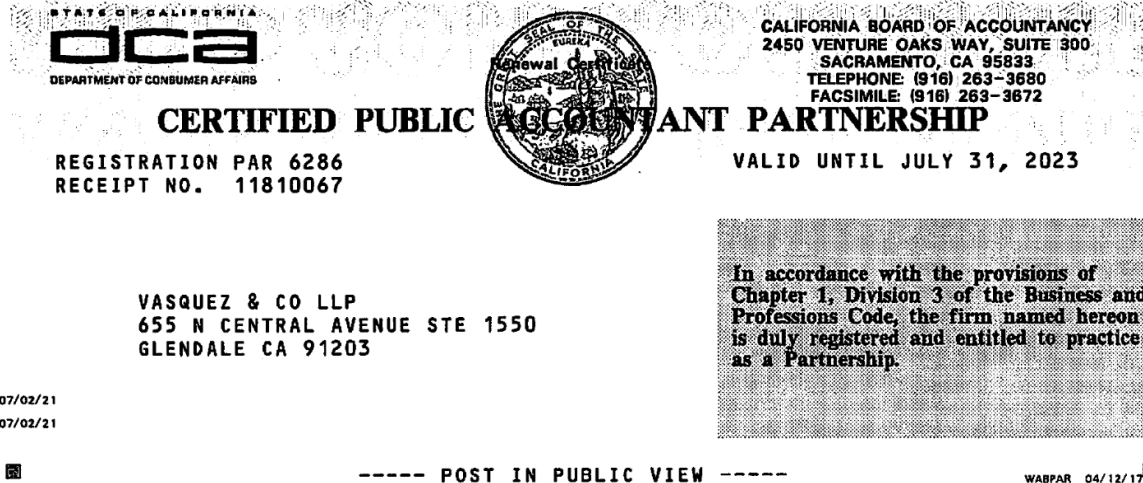
### Educational Background

Emer received his Bachelor of Science in Accountancy from the University of Santo Tomas. He remains current on accounting matters by attending conferences and continuing education courses focused on subjects applicable to government accounting, including accounting and financial reporting, as well as federal and state regulatory matters and auditing requirements.

## 6) License to Practice in California

Vasquez is properly licensed to conduct public accounting in California. Vasquez affirms that key engagement team members are properly licensed Certified Public Accountants in California.

Vasquez commits to inform the District of any suspension, termination, lapse, non-renewals, or restrictions of its licenses, certificates, or other required documents.



## 7) Independence

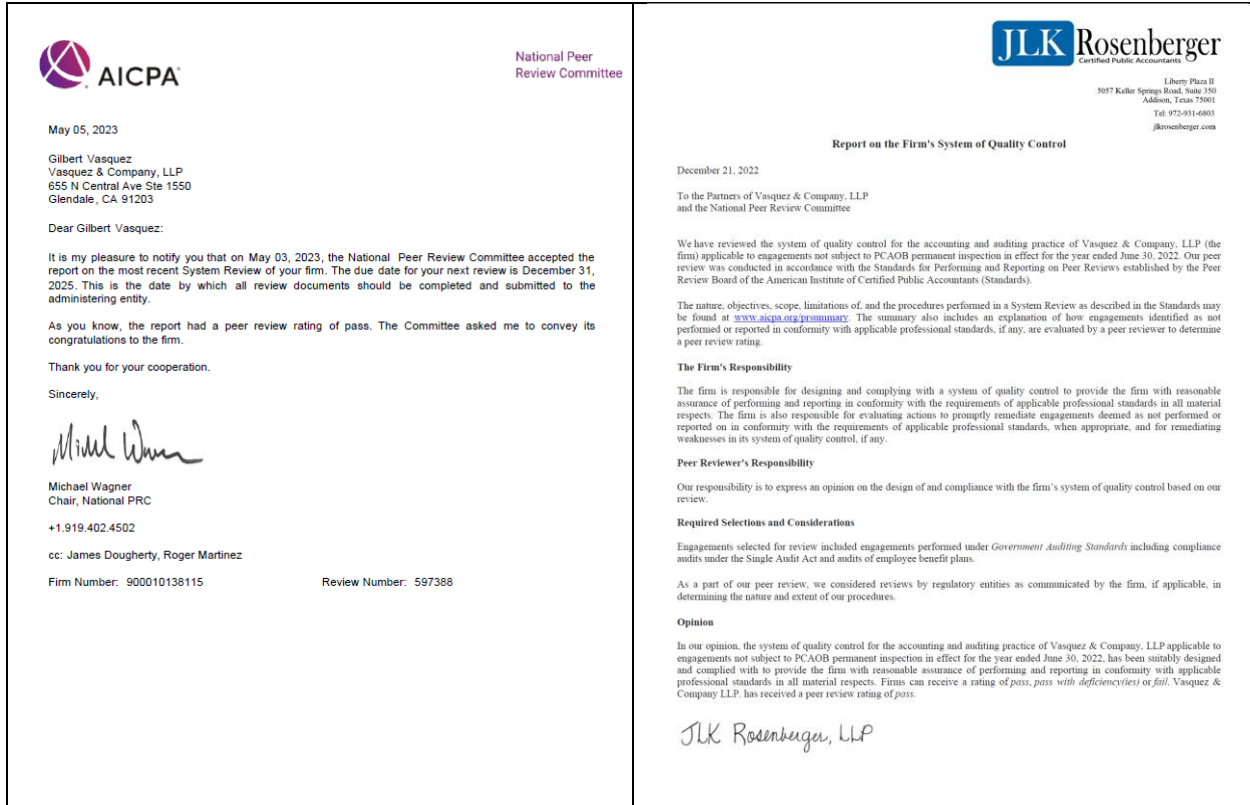
Vasquez meets the independence requirements of the auditing standards generally accepted in the United States of America and the *Government Auditing Standards*, published by the United States General Accounting Office ("Yellow Book") as it relates to the District.

## 8) References

Client/Contact/Address	Nature of Engagement
<p><b>Water Replenishment District of Southern California</b>                      Lawrence Chiu                      Chief Financial Officer                      4040 Paramount Blvd.                      Lakewood, CA 90712                      Tel : (562) 275-4210                      Email: <a href="mailto:lchiu@ wrd.org">lchiu@ wrd.org</a></p>	<p>Annual Financial and Compliance Audit, State Controller's Report, and Management Letter.  <b>GFOA Award.</b></p> <p>Client from 2008 to 2018 and 2020 to present</p>
<p><b>Desert Water Agency</b>                      Esther Saenz                      Finance Director                      1200 Gene Autry Trail                      South Palm Springs, CA 92264                      Tel: (760) 323-4971                      Email: <a href="mailto:Essenz@dwa.org">Esaenz@dwa.org</a></p>	<p>Annual Financial and Compliance Audit and Management Letter.</p> <p>Client from 2022 to present.</p>
<p><b>San Gabriel Basin Water Quality Authority</b>                      Ms. Mary H. Saenz                      Director of Finance                      1720 W. Cameron Avenue, Suite 100                      West Covina, CA 91790                      Tel: (626) 338-5555 x 105                      Email: <a href="mailto:mary@wqa.com">mary@wqa.com</a></p>	<p>Annual Financial and Compliance Audit, Single Audit (Uniform Guidance), and Management Letter.</p> <p>Client from 2016 to present</p>

## 9) Peer Review

Vasquez is a member of the American Institute of Certified Public Accountants (AICPA) Division of Firms and received a Peer Review Rating of "Pass" without comment - the highest rating from the AICPA on its peer review dated May 5, 2023. As a member of the AICPA Governmental Audit Quality Center (GAQC, this peer review covered several government engagements similar in size and complexity as the District performed in accordance with Government Auditing Standards and Uniform Guidance. A copy of the peer review opinion follows:



10) Current Clients

Vasquez performs numerous audits of regulated entities, including regional water quality control plants, electric utilities, and other enterprise funds subject to financial and compliance audits.

- Clients**
- City of El Monte – Sewer Fund
  - City of Hawthorne – Sewer and Storm Drain Fund
  - City of Montebello – Water Utility Fund
  - City of Simi Valley – Sanitation Fund; Ventura County Waterworks District No. 8
  - City of Norwalk – Sewer fund and Water Fund
  - Big Bear Municipal Water District
  - Central Basin Municipal Water District
  - Encina Wastewater Authority
  - Fox Canyon Groundwater Management Agency
  - Hidden Valley Municipal Water District
  - Metropolitan Water District of Southern California
  - Municipal Water District of Orange County
  - San Gabriel Basin Water Quality Authority
  - Santa Clara Valley Water District
  - Upper San Gabriel Valley Municipal Water District



**Clients**

United Water Conservation District
Water Replenishment District of Southern California
Walnut Valley Water District
Victor Valley Wastewater Reclamation Authority
Needles Public Utility Authority
Municipal Water District of Orange
Long Beach Water Department
Los Angeles Department of Water and Power
Imperial Irrigation District
Vernon Light and Power
Victor Valley Wastewater Reclamation Authority

**Other Government Clients**

Vasquez performs numerous financial and compliance audits of governmental organizations. These audits include risk assessments conducted pursuant to a structured approach based on the standards outlined in the COSO Principles.

Our audits are performed in accordance with auditing standards generally accepted in the United States, Government Auditing Standards, OMB Uniform Guidance, and the Office of the State Controller's Minimum Audit Requirements and Reporting Guidelines for California Special Districts (when applicable).

Clients		
City of Agoura Hills	City of Industry	Alameda Corridor Transportation Authority
City of Alhambra	City of Inglewood	Alameda Corridor-East Construction Authority
City of Antelope Valley	City of Irwindale	Antelope Valley Transit Authority
City of Arcadia	City of La Puente	Los Angeles County Metropolitan Transportation Authority
City of Avalon	City of Lawndale	Plumas County Transportation Commission
City of Artesia	City of Long Beach	Port of Long Beach
City of Azusa	City of Lynwood	San Gabriel Valley Council of Governments
City of Baldwin Park	City of Malibu	San Joaquin Regional Transit District
City of Bell	City of Maywood	Southern California Association of Governments
City of Beverly Hills	City of Montebello	Southern California Regional Rail Authority
City of Bradbury	City of Monterey Park	SunLine Transit Agency
City of Burbank	City of Moreno Valley	Santa Barbara Metropolitan Transit District

Clients		
City of Calabasas	City of Modesto	San Joaquin Regional Transit District
City of Carson	City of Norwalk	Imperial County Local Transportation Authority
City of Claremont	City of Oxnard	Los Angeles World Airports
City of Commerce	City of Palos Verdes Estates	Independent Cities Financing Authority
City of Compton	City of Pico Rivera	Los Angeles Community College District
City of Covina	City of Pomona	Rio Hondo Community College District
City of Cudahy	City of Riverside	Coast Community College District
City of Culver City	City of Rosemead	Compton Community College District
City of Diamond Bar	City of San Fernando	Bassett Unified School District
City of Downey	City of Simi Valley	Los Angeles Unified School District
City of El Monte	City of South El Monte	Montebello Unified School District
City of Gardena	City of South Gate	Compton Unified School District
City of Hawthorne	City of Torrance	El Monte Union High School District
City of Hidden Hills	City of Vernon	El Rancho Unified School District
City of Huntington Park	City of West Hollywood	Inglewood Unified School District

## 11) Other Information

As part of the RSM US Alliance, we have access to their government industry insights articles that we will share with the District.

The screenshot displays the RSM US Alliance website's 'Government | Insights | RSM US' page. The browser address bar shows the URL: <https://rsmus.com/insights/industries/government.html#:~:text=Contact%20RSM%20Ideas%2C%20insights...>. The website header includes the RSM logo, navigation menus for 'Solutions and services', 'Insights', 'About RSM', and 'Careers', a 'Contact RSM' button, and a search bar. The main content area features four article cards:

- ARTICLE** (December 16, 2022): Contractors must strive to remain compliant with the government's requirements. # GOVERNMENT CONTRACTING OUTLOOK.
- ARTICLE** (August 26, 2022): GASB issues guidance for developing note disclosures. # FINANCIAL REPORTING GOVERNMENT.
- ON-DEMAND WEBCAST** (July 18, 2022): 2022 federal grants management update. # NONPROFIT STATE & LOCAL GOVERNMENT.
- ARTICLE** (July 08, 2022): GASB revises requirements for accounting changes and error corrections. # FINANCIAL REPORTING STATE & LOCAL GOVERNMENT.

A cookie consent banner is visible at the bottom of the page, stating: 'This website uses cookies. By continuing to use this site, you are giving consent to cookies being used. For more information on cookies and how we use them, [click here](#).' Buttons for 'Cookie settings' and 'Allow all' are provided. The Windows taskbar at the bottom shows the search bar, system tray with weather (53°F Sunny), and date/time (11:40 AM 5/9/2023).









**CERTIFICATE OF LIABILITY INSURANCE**

DATE (MM/DD/YYYY)  
 03/11/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> The Liberty Company Insurance Brokers Lic #0D79653 5955 De Soto Ave, Suite 250 Woodland Hills CA 91367		<b>CONTACT NAME:</b> Lindsey Jamall <b>PHONE (A/C, No, Ext):</b> (888) 918-3960 <b>E-MAIL ADDRESS:</b> ljamall@libertycompany.com <b>FAX (A/C, No):</b>	
<b>INSURED</b> VASQUEZ & COMPANY LLP 655 N CENTRAL AVE STE 1550 GLENDALE CA 91203		<b>INSURER(S) AFFORDING COVERAGE</b> <b>INSURER A:</b> Citizens Insurance Company of America <b>INSURER B:</b> <b>INSURER C:</b> <b>INSURER D:</b> <b>INSURER E:</b> <b>INSURER F:</b>	
		<b>NAIC #</b> 31534	

**COVERAGES**      **CERTIFICATE NUMBER:** 22-23 GL Auto UMB BPP      **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADD'L INSD	SUBR' WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			OBFH550106	04/01/2022	04/01/2023	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 2,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - COMP/OP AGG \$ 4,000,000
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS ONLY			OBFH550106	04/01/2022	04/01/2023	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB OCCUR CLAIMS-MADE DED RETENTION \$			OBFH550106	04/01/2022	04/01/2023	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A				PER STATUTE OTHER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Business Personal Property			OBFH550106	04/01/2022	04/01/2023	Limit 218,484 Deductible 1,000

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES** (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
 Location: 655 N. CENTRAL AVENUE SUITE 15, GLENDALE, CA, 91203

<b>CERTIFICATE HOLDER</b> Insured	<b>CANCELLATION</b> SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE 

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**CERTIFICATE OF LIABILITY INSURANCE**

DATE (MM/DD/YYYY)  
 02/25/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER  Aon Affinity Insurance 1100 Virginia Drive, Suite 250 Fort Washington, PA 19034 Phone: 800-221-3023	CONTACT NAME: Shane Rudolf		
	PHONE (A/C, Hg, Ext): 267-282-6293	FAX (A/C, No): 244-250-2057	
E-MAIL ADDRESS: rudy.rudolf@aon.com			
INSURED  Vasquez and Company LLP 655 N Central Ave Suite 1550 Glendale, CA 91203	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A : Continental Casualty		20443
	INSURER B :		
	INSURER C :		
	INSURER D :		
	INSURER E :		

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDITIONAL SUBR NSD YWD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	<b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:					EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NOW-OWNED AUTOS					COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	<b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$					EACH OCCURRENCE \$ AGGREGATE \$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A			<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Professional Liability Insurance	N N	APL 658773160	02/07/2022	02/07/2023	\$5,000,000 per claim /\$5,000,000 aggregate

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
 Proof of Insurance Coverage

CERTIFICATE HOLDER	CANCELLATION
	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE 

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ACORD 25 (2014/01)

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## Agreement for Services

**6. OWNERSHIP OF WORK.** All reports, designs, drawings, plans, specifications, schedules, and other materials prepared, or in the process of being prepared, for the services to be performed by CONSULTANT shall be and are the property of the DISTRICT, except that any working papers, as defined by the American Institute of Certified Public Accountants, Inc., shall remain the property of CONSULTANT. The DISTRICT shall be entitled to access to and copies of these materials ~~during the progress of the work at the conclusion of the audit~~. Any property of the DISTRICT in the hands of the CONSULTANT or in the hands of any subcontractor upon completion or termination of the work shall be immediately delivered to the DISTRICT. If any property of the DISTRICT is lost, damaged or destroyed before final delivery to the DISTRICT, the CONSULTANT shall replace it at its own expense and the CONSULTANT hereby assumes all risks of loss, damage or destruction of or to such materials. The CONSULTANT may retain a copy of all material produced under this agreement for its use in its general business activities.

**12. DISPUTE RESOLUTION.** In the event of a dispute between DISTRICT and CONSULTANT concerning any question of fact in connection with the Services performed under this AGREEMENT, the parties shall meet and confer and make good faith efforts to resolve the dispute before resorting to any legal action. In no event may CONSULTANT discontinue performance of Services under this Agreement while a dispute is pending. Should a dispute entail whether CONSULTANT is entitled to additional compensation, CONSULTANT shall notify DISTRICT in writing that it is performing the alleged extra Services under protest in order to preserve CONSULTANT's right to compensation for the alleged extra Services. ~~This provision excludes all matters governed by independence and ethics rules or audit matters addressed by Generally Accepted Auditing Standards or Government Auditing Standards.~~

**18. TERMINATION.** The DISTRICT ~~and CONSULTANT~~ shall have the right to terminate this Agreement at any time by giving written notice ~~to the CONSULTANT~~. In the event of termination for any reason other than the fault of the CONSULTANT, the CONSULTANT shall be compensated in accordance with the provisions of Sections 4 and 5 for the services performed and expenses incurred to the date of such termination, plus any reasonable costs and expenses which are reasonably and necessarily incurred by CONSULTANT to effect such termination. For termination for default, the DISTRICT shall remit final payment to CONSULTANT in an amount to cover only those services performed and expenses incurred in accordance with the terms and conditions of this Agreement up to the effective date of termination.

**19. RELEASE OF INFORMATION.** CONSULTANT shall not release any reports, information or promotional materials prepared in connection with this agreement without the approval of the DISTRICT's Executive Director., ~~unless required by law or regulation.~~



**[www.vasquezcpa.com](http://www.vasquezcpa.com)**

Vasquez & Company LLP has over 50 years of experience in performing audit, accounting & consulting services for all types of nonprofit organizations, for-profit companies, governmental entities and publicly traded companies. Vasquez is a member of the RSM US Alliance. RSM US Alliance provides its members with access to resources of RSM US LLP. RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International. Visit [rsmus.com/about-us](http://rsmus.com/about-us) for more information regarding RSM US LLP and RSM International. The RSM™ logo is used under license by RSM US LLP. RSM US Alliance products and services are proprietary to RSM US LLP.



# Cost Proposal for Audit Services

# Mid-Peninsula Water District

Submitted by:

Roger Martinez  
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655 N. Central Avenue, Suite 1550  
Glendale, CA 91203  
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Fax: (213) 873-1777  
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May 19, 2023





## Transmittal Letter

May 19, 2023

Kathryn Wuelfing  
Assistant General Manager  
Mid-Peninsula Water District  
1075 Old County Road, Suite A  
Belmont, CA 94002

### Re: Vasquez Technical Proposal to Provide Audit Services to Mid-Peninsula Water District

Vasquez & Company LLP (“Vasquez,” “we,” “us,” or “our”) is pleased to submit our cost proposal to perform an audit and issue opinions on the Mid-Peninsula Water District (District) financial statements for a three-year base period beginning with the fiscal year ending June 30, 2023, with the option of extending for two additional years.

Our fees for the services outlined in this proposal are based on our estimates of the time needed to complete the project at our standard hourly rates. The fees are based on the assumption that unexpected circumstances will not be encountered during the audit, along with the following:

1. District staff is available to answer questions within the agreed timeframe.
2. No instances of fraud that will require additional procedures.
3. All information requested is provided within the agreed timeframe.
4. No (0) major programs subject to the Single Audit Act.
5. The information provided is complete and correct for the year under audit.
6. Other unforeseen events such as:
  - a. Accounting problems.
  - b. Changes in your business or business environment.
  - c. Contractual difficulties with suppliers, third-party service providers, or clients.

The cost proposal contains all pricing information relative to performing the audit engagement, as described in this Request for Proposal. The total all-inclusive maximum price includes all direct and indirect costs, including out-of-pocket expenses. I, Roger A. Martinez, Partner with Vasquez, am authorized to negotiate and bind the firm to contract.

VASQUEZ & COMPANY LLP

Roger A. Martinez | Partner, Audit Practice Leader  
655 N. Central Avenue, Suite 1550  
Glendale, CA 91203  
tel.: 213-873-1703  
email: [ram@vasquezcpa.com](mailto:ram@vasquezcpa.com)

Total Project Cost

Option Year 1    Option Year 2

Services	FY22/23	FY23/24	FY24/25	FY25/26	FY26/27	Total
Financial Statement Audit	\$ 36,926	\$ 38,034	\$ 39,175	\$ 40,350	\$ 41,560	\$ 196,044
State Controllers Report	4,074	4,196	4,322	4,452	4,585	21,630
Single Audit	-	-	-	-	-	-
<b>Total</b>	<b>\$ 41,000</b>	<b>\$ 42,230</b>	<b>\$ 43,497</b>	<b>\$ 44,802</b>	<b>\$ 46,146</b>	<b>\$ 217,675</b>



# Accounts Payable

## Checks by Date - Summary by Check Date

User: mistym  
Printed: 6/6/2023 2:12 PM



Check No	Vendor No	Vendor Name	Check Date	Check Amount
102870	BANKMTO1	Bankcard Mtot Disc	05/02/2023	2,935.55
Total for 5/2/2023:				2,935.55
102818	ADPPRFEE	ADP Payroll Fees	05/03/2023	2,029.34
102819	CALPERS	CALPERS	05/03/2023	5,800.25
102820	HEALTHEQ	Health Equity	05/03/2023	1,247.15
102821	ICMACONT	ICMA contributions	05/03/2023	3,882.00
102822	ADPPAYRL	adp	05/03/2023	89,143.80
Total for 5/3/2023:				102,102.54
38562	ATT60197	AT&T	05/04/2023	46.07
38563	COMCASTB	COMCAST BUSINESS	05/04/2023	1,110.90
38564	IIMC	IIMC	05/04/2023	225.00
38565	KBADOCU	KBA DOCUMENT SOLUTIONS, LLC	05/04/2023	36.01
38566	PG&E	PG&E	05/04/2023	22,007.34
38567	SPATIAL	SPATIAL WAVE, INC.	05/04/2023	54,340.00
38568	STANDINS	STANDARD INSURANCE COMPANY	05/04/2023	3,067.82
38569	TELSINST	TELESTAR INSTRUMENTS	05/04/2023	3,112.00
38570	UNIFIRST	UNIFIRST	05/04/2023	157.13
102823	EIDEBAIL	EIDE BAILLY LLP	05/04/2023	285.00
102824	OFFICEDE	OFFICE DEPOT, INC.	05/04/2023	590.13
102825	SWEDCOM	SWEDCOM CORPORATION	05/04/2023	3,491.37
102826	WFBUSCAR	WELLS FARGO -GM	05/04/2023	1,507.08
102827	WFBUSRR	WELLS FARGO-OM	05/04/2023	84.66
102828	WULHANC	WULFF, HANSEN & CO.	05/04/2023	750.00
Total for 5/4/2023:				90,810.51
102871	CLIENTSV	Client Analysis Svs Charge	05/11/2023	2,548.55
Total for 5/11/2023:				2,548.55
38571	AQUAMETF	AQUA-METRIC SALES, CO.	05/12/2023	14,390.04
38572	AES	ASBURY ENVIRONMENTAL SERVICES	05/12/2023	95.00
38573	BAIRDTRK	BAIRD TRUCKING INC.	05/12/2023	2,821.50
38574	BAWSCA	BAY AREA WATER SUPPLY & CONSER	05/12/2023	2,505.00
38575	BFIOFCAL	BFI of CALIFORNIA INC. - OX MTN. LA	05/12/2023	5,134.52
38576	CARQUEST	CARQUEST AUTO PARTS	05/12/2023	348.91
38577	COMCAST	COMCAST	05/12/2023	45.51
38578	COMCASTB	COMCAST BUSINESS	05/12/2023	708.02
38579	RANDB	CORE & MAIN LP	05/12/2023	4,023.74
38580	GRAINGER	GRAINGER	05/12/2023	317.68
38581	HACHCOMI	HACH COMPANY INC	05/12/2023	317.58
38582	HOMEDPC	HOME DEPOT	05/12/2023	435.92



Check No	Vendor No	Vendor Name	Check Date	Check Amount
38583	INTERALL	INTERSTATE ALL BATTERY CENTER	05/12/2023	59.34
38584	INTRBATT	INTERSTATE BATTERY SYSTEM, INC.	05/12/2023	327.08
38585	MNGWATEF	MANAGEWATER CONSULTING,INC	05/12/2023	875.00
38586	NESINC	NES, INC	05/12/2023	4,283.96
38587	NORTHSAF	NORTHERN SAFETY CO. INC.	05/12/2023	200.67
38588	PACOFFIC	PACIFIC OFFICE AUTOMATION	05/12/2023	10.64
38589	PG&E	PG&E	05/12/2023	4,668.72
38590	PROFORMA	PROFORMA GRAPHICS, INC.	05/12/2023	1,623.07
38591	RECOLOGY	RECOLOGY SAN MATEO COUNTY	05/12/2023	799.51
38592	STEPFORD	STEPFORD BUSINESS, INC.	05/12/2023	5,699.25
38593	STEVCRKQ	STEVENS CREEK QUARRY, INC.	05/12/2023	263.03
38594	TMOBILE	T-MOBILE	05/12/2023	62.80
38595	UNGRREW\	UNDERGROUND REPUBLIC WATER W	05/12/2023	6,298.07
38596	UNIFIRST	UNIFIRST	05/12/2023	410.05
102829	DFS	DOCUMENT FULFILLMENT SERVICES	05/12/2023	2,729.92
102830	GRANICUS	GRANICUS	05/12/2023	5,148.00
102831	OFFICEDE	OFFICE DEPOT, INC.	05/12/2023	463.68
102832	RMORGAN	RAY MORGAN COMPANY	05/12/2023	2,038.46
102833	SPRIHOLD	SPRINGBROOK HOLDING COMPANY I	05/12/2023	4,287.20
102834	TAPMASTR	TAP MASTER, INC	05/12/2023	12,992.00
102835	UMPQUA	UMPQUA BANK	05/12/2023	8,710.27
102836	SCOTSMAN	WILLIAMS SCOTSMAN, INC.	05/12/2023	1,433.41
Total for 5/12/2023:				94,527.55
102872	TTECHACH	TTECH ACH BILLING	05/16/2023	2,029.17
Total for 5/16/2023:				2,029.17
38597	ATT60197	AT&T	05/18/2023	137.00
38598	CARQUEST	CARQUEST AUTO PARTS	05/18/2023	683.51
38599	COMCAST	COMCAST	05/18/2023	356.36
38600	RANDB	CORE & MAIN LP	05/18/2023	4,504.89
38601	HOMEDEPC	HOME DEPOT	05/18/2023	529.44
38602	STANDINS	STANDARD INSURANCE COMPANY	05/18/2023	1,007.49
38603	UNGRREW\	UNDERGROUND REPUBLIC WATER W	05/18/2023	6,366.02
38604	UNITEDRE	UNITED RENTAL	05/18/2023	1,041.62
102842	AIRGAS	AIRGAS, LLC	05/18/2023	215.70
102843	OFFICEDE	OFFICE DEPOT, INC.	05/18/2023	781.88
Total for 5/18/2023:				15,623.91
102844	CALPERS	CALPERS	05/19/2023	5,804.11
102845	ICMACONT	ICMA contributions	05/19/2023	3,882.00
102846	HEALTHEQ	Health Equity	05/19/2023	1,197.15
102847	ADPPAYRL	adp	05/19/2023	78,518.63
102848	ADPPRFEE	ADP Payroll Fees	05/19/2023	2,043.28
Total for 5/19/2023:				91,445.17
102874	PIT71896	PITNEY BOWES INC	05/22/2023	1,000.00
Total for 5/22/2023:				1,000.00
38605	ATT60197	AT&T	05/24/2023	48.95
38606	BPLANDSC	BAY POINTE LANDSCAPE	05/24/2023	6,575.00

Check No	Vendor No	Vendor Name	Check Date	Check Amount
38607	COMCAST	COMCAST	05/24/2023	316.25
38609	UB*00751	SUSAN HOLLAND	05/24/2023	2,604.69
38610	UB*00752	PETER NEISSER	05/24/2023	2,000.00
38611	STEPFORD	STEPFORD BUSINESS, INC.	05/24/2023	3,199.88
38612	UNIFIRST	UNIFIRST	05/24/2023	177.93
38613	KATWUELF	KAT WUELFING	05/24/2023	137.50
38614	E&MELECT	E&M ELECTRIC & MACHINERY, INC.	05/24/2023	5,265.00
102855	DAVIDDES	JOHN DAVIDSON	05/24/2023	3,375.00
102856	DFS	DOCUMENT FULFILLMENT SERVICES	05/24/2023	178.46
102857	HANSONBR	HANSON, BRIDGETT	05/24/2023	6,745.50
102858	PAKPOUR	PAKPOUR CONSULTING GROUP, INC	05/24/2023	7,095.27
102859	RMORGAN	RAY MORGAN COMPANY	05/24/2023	280.21
102860	SFWATER	SAN FRANCISCO WATER DEPT	05/24/2023	409,088.53
102861	SWEDCOM	SWEDCOM CORPORATION	05/24/2023	14,495.50
Total for 5/24/2023:				461,583.67
102873	ACHRETN	ACH Returns	05/26/2023	133.40
Total for 5/26/2023:				133.40
Report Total (90 checks):				864,740.02

**SEPTEMBER 2022 EXPENDITURES**  
**Sorted by AP Account**

AP Account	Vendor Name	Payment	Check Date	Check Number	Description	Invoice Number
1440 - Payroll Clearing A/C	ADPPAYRL	\$25,093.50	9/9/2022	102523	ETD PE090222- TAXES	ETD PE090222
1440 - Payroll Clearing A/C	ADPPAYRL	\$57,163.96	9/9/2022	102523	ETD PE090222- DD	ETD PE090222
1440 - Payroll Clearing A/C	HEALTHEQ	\$740.00	9/9/2022	102525	ETD PE090222	ETD PE090222
1440 - Payroll Clearing A/C	ICMACONT	\$6,697.24	9/9/2022	102526	ETD PE090222	ETD PE090222
1440 - Payroll Clearing A/C	ICMACONT	\$400.00	9/8/2022	102494	Employee 401 CONTRIBUTIONS	
1440 - Payroll Clearing A/C	ADPPAYRL	\$55,445.87	9/23/2022	102527	ETD PE090222- DD	ETDPE091622
1440 - Payroll Clearing A/C	ADPPAYRL	\$24,832.92	9/23/2022	102527	ETD PE090222- TAXES	ETDPE091622
1440 - Payroll Clearing A/C	HEALTHEQ	\$740.00	9/23/2022	102529	ETD PE091622	ETD PE091622
1440 - Payroll Clearing A/C	ICMACONT	\$6,322.24	9/23/2022	102530	ETD PE091622	ETD PE091622
1440 - Payroll Clearing A/C	ADPPAYRL	\$25,819.72	10/7/2022	102531	ETDPE093022- TAXES	ETDPE093022
1440 - Payroll Clearing A/C	ADPPAYRL	\$60,094.41	10/7/2022	102531	ETDPE093022- DD	ETDPE093022
1707 - Fms - Prof Svs	PACWEST	\$8,002.00	9/14/2022	38104	SECURITY CAMERAS- WEST BELMONT TANK SITE	64599
1707 - Fms - Prof Svs	CHEVY	\$20,650.61	9/29/2022	102505	REMAINING BALANCE FOR CHEVY BOLT	CHEVY BOLT
6030 - Acwa Health Care	CALPERS	\$1,910.06	9/9/2022	102524	ETD PE090222- T2	ETD PE090222
6030 - Acwa Health Care	CALPERS	\$2,755.67	9/9/2022	102524	ETD PE090222- T1	ETD PE090222
6030 - Acwa Health Care	ACWA5661	\$41,812.06	9/8/2022	102492		692321
6030 - Acwa Health Care	ACWA5661	\$3,813.34	9/8/2022	102492		692321
6030 - Acwa Health Care	ACWA5661	\$831.48	9/8/2022	102492		692321
6030 - Acwa Health Care	ACWA5661	\$631.56	9/8/2022	102492		692321
6030 - Acwa Health Care	ACWA5661	\$52.36	9/8/2022	102492	EMPLOYEE ASSISTANCE PROGRAM	692321
6030 - Acwa Health Care	CALPERS	\$2,350.36	9/23/2022	102528	ETD PE090222- T2	ETD PE090222
6030 - Acwa Health Care	CALPERS	\$3,645.99	9/23/2022	102528	ETD PE090222- T1	ETD PE090222
6030 - Acwa Health Care	CINTS	\$259.20	9/8/2022	38083		4129409379
6030 - Acwa Health Care	STANDINS	\$1,219.65	9/8/2022	38091	STD & LTD PREMIUMS	22-Sep
6030 - Acwa Health Care	REDWING	\$795.53	9/14/2022	102502	WORK BOOTS FOR CHRIS M & VICTOR M	20220900000000
6030 - Acwa Health Care	CINTS	\$259.20	9/29/2022	38118	UNIFORMS	4130093737
6030 - Acwa Health Care	UNIFIRST	\$231.02	9/29/2022	38135	UNIFORMS	385 0517172
6304 - Rain Barrels Rebate	BAWSCA	\$82.20	9/8/2022	38081	SMART CONTROLLER REBATE PROGRAM	8113
6304 - Rain Barrels Rebate	BHILL	\$100.00	9/29/2022	38124	RAIN BARREL REBATE	REBATE #2361
6304 - Rain Barrels Rebate	KJANSEN	\$85.00	9/29/2022	38126	IRRIGATION HARDWARE REBATE	REBATE 081722
6401 - Water Quality	HACHCOMP	\$388.68	9/8/2022	38087	CHEMKEYS	13223152
6401 - Water Quality	SFPUCWAT	\$2,250.00	9/29/2022	102508	LAB TESTING FOR WATER QUALITY	I0003435
6403 - Storage Tanks	CITYSCARL	\$325.50	9/29/2022	38119	STORM DRAIN INSPECTION	20999
6403 - Storage Tanks	HASSETTH	\$60.38	9/29/2022	38123	SEALED HATCHES ON TOP OF TANK	148118
6404 - Mains/Distribution	HOMEDEPO	\$458.06	9/8/2022	38088	1 PALLET OF CUTBACK	1390080
6404 - Mains/Distribution	GRANITE	\$1,063.50	9/14/2022	38095	ASHPALT & BASE ROCK	1390391

**SEPTEMBER 2022 EXPENDITURES**  
**Sorted by AP Account**

AP Account	Vendor Name	Payment	Check Date	Check Number	Description	Invoice Number
6404 - Mains/Distribution	RANDB	\$299.41	9/29/2022	38121	REPAIR CLAMPS	R571331
6405 - Meters & Service	BADGERMT	\$430.35	9/8/2022	38080	BADGER METERS	1524944
6405 - Meters & Service	RANDB	\$2,641.18	9/8/2022	38084	METER BOXES AND LIDS	R200909
6405 - Meters & Service	ZENNER	\$2,459.83	9/14/2022	38108	HYDRANT METERS	0069398-IN
6405 - Meters & Service	GRANITE	\$63.35	9/29/2022	38122	SERVICE LEAK ON 6TH/EMMETT	1392128
6405 - Meters & Service	GRANITE	\$272.80	9/29/2022	38122	BASE ROCK	1392128
6407 - Regulator Stations	HASSETTH	\$12.06	9/29/2022	38123	CLEAN NEEDLE VALVES ON REGULATOR	172662
6408 - Employee Safety	GOTSAFE	\$75.00	9/8/2022	38086	GOT SAFETY SUPPORT	63146
6408 - Employee Safety	HOMEDEPO	\$109.11	9/8/2022	38088	EAR PROTECTION	0628 13 39878
6409 - Scada Maintenance	XIOINC	\$666.00	9/8/2022	102496	SCADA MAINTENANCE	20122591
6409 - Scada Maintenance	HOMEDEPO	\$597.58	9/8/2022	38088	TUNNELS PUMP	0628 01 50656
6409 - Scada Maintenance	HOMEDEPO	\$232.00	9/8/2022	38088	TUNNELS PUMP STATION	0628 01 54153
6409 - Scada Maintenance	HASSETTH	\$15.36	9/14/2022	38096	FINISH UP WITH FIXING TUNNELS	63539
6409 - Scada Maintenance	HOMEDEPO	\$43.59	9/14/2022	38097	FINISH UP WITH FIXING TUNNELS	6280155093
6409 - Scada Maintenance	HOMEDEPO	\$81.83	9/14/2022	38097	FINISH UP WITH FIXING TUNNELS	6280357780
6410 - Generator Maintenance	INTRBATT	\$81.72	9/29/2022	38125	REMAINING BALANCE FROM INV 25086108	25086108.1
6501 - Buildings & Grounds	HOMEDEPO	\$59.04	9/8/2022	38088	WATER FILTER	2063630
6501 - Buildings & Grounds	RECOLOGY	\$771.28	9/14/2022	38102	GARBAGE & RECYCLING	46911723
6501 - Buildings & Grounds	VANGUARD	\$435.00	9/14/2022	38107	SEPTEMBER 2022 CLEANING FEES	114687
6501 - Buildings & Grounds	BPLANDSC	\$1,425.00	9/29/2022	38114	JULY LANDSCAPE MAINTENANCE	BPL-3595
6501 - Buildings & Grounds	BPLANDSC	\$1,425.00	9/29/2022	38114	AUGUST LANDSCAPE MAINTENANCE	BPL-3650
6501 - Buildings & Grounds	TIMBERLI	\$425.00	9/29/2022	38133	REMOVE BROKEN BRANCH OVER DEKOVEN	23403
6501 - Buildings & Grounds	AIRGAS	\$210.72	9/29/2022	102504	CYLINDER RENTALS	9991260474
6501 - Buildings & Grounds	SCOTSMAN	\$911.03	9/29/2022	102509	OFFICE TRAILER FOR LEAD OP. AND PROJECT COORDINATOR	9015273608
6501 - Buildings & Grounds	SCOTSMAN	\$1,102.78	9/29/2022	102509	OFFICE TRAILER FOR MANAGEMENT ADVISOR AND OPS SUPERVISOR	9015320486
6502 - Equipment & Tools	HOMEDEPO	\$298.20	9/14/2022	38097	DRILL & SCREW GUN SCREW BITS	63901
6502 - Equipment & Tools	CARQUEST	\$39.17	9/29/2022	38116	AIR FILTER	8292-680716
6503 - Vehicle & Large Equip	CARQUEST	\$56.73	9/8/2022	38082	THERMOSTAT GASKET 2 COOLANTS (#785)	8292-679187
6503 - Vehicle & Large Equip	CARQUEST	\$46.91	9/14/2022	38109	TIRE PRESSURE #800	8292-679475
6503 - Vehicle & Large Equip	CARQUEST	\$74.42	9/14/2022	38109	COOLANT STOP LEAK OIL #785	8292-679730
6503 - Vehicle & Large Equip	BUDGETGL	\$439.90	9/29/2022	38115	BACK GLASS REPAIR (806)	539081
6503 - Vehicle & Large Equip	CARQUEST	\$44.12	9/29/2022	38116	FREON	8292-679748
6503 - Vehicle & Large Equip	CARQUEST	\$59.65	9/29/2022	38116	COOLANT (787 & 805)	8292-679825
6503 - Vehicle & Large Equip	CARQUEST	\$14.24	9/29/2022	38116	COOLANT (787)	8292-679829

**SEPTEMBER 2022 EXPENDITURES**  
**Sorted by AP Account**

AP Account	Vendor Name	Payment	Check Date	Check Number	Description	Invoice Number
6503 - Vehicle & Large Equip	CARQUEST	\$15.89	9/29/2022	38116	ENGINE TREATMENT	8292-679830
6504 - Fuel	VALLEYOL	\$2,206.37	9/14/2022	38106	FUEL	125094
6504 - Fuel	VALLEYOL	\$4,773.31	9/29/2022	38136	FUEL	128577
6504 - Fuel	VALLEYOL	\$4,177.11	9/29/2022	38136	FUEL	129237
6701 - Office Supplies	OFFICEDE	\$52.99	9/14/2022	38098	OFFICE SUPPLIES	2.63E+11
6701 - Office Supplies	OFFICEDE	\$21.26	9/14/2022	38098	PAYROLL BINDER	2.64E+11
6702 - Insurance-Liability/Vehicle	ACWA5661	\$36,016.51	9/29/2022	102503	ACWA/JPIA PROPERTY PROGRAM RENEWAL	8846
6705 - Equipment Services/Maintenance	PACOFFIC	\$176.53	9/14/2022	38099	CANON MAINTENANCE AGREEMENT	372275
6705 - Equipment Services/Maintenance	KBADOCU	\$23.05	9/29/2022	38127	KYOCERA MAINTENANCE AGREEMENT	55Y1307122
6706 - Computer Supplies & Upgrades	LIFTOFFD	\$300.00	9/8/2022	102495	WEBSITE UPDATES AND HOSTING	33097
6706 - Computer Supplies & Upgrades	STEPFORD	\$48.50	9/8/2022	38092	ACROBAT PRO FOR VICTOR FUNG	2201323
6707 - Security & Safety	PACWEST	\$65.63	9/8/2022	38090	SONITROL ID BADGES	64622
6707 - Security & Safety	PACWEST	\$220.00	9/14/2022	38104	SECURITY CAMERAS- WEST BELMONT TANK SITE	64599
6709 - Customer Credit Card Svs Fees	SPRIHOLD	\$4,272.20	9/14/2022	38105	CIVIC PAY FEES AUGUST 2022	INV-010319
6802 - Gov'T Fees & Licenses	SMENVIRN	\$318.00	9/14/2022	38103	FUEL STORAGE FEES & STATE SURCHARGE	370234
6802 - Gov'T Fees & Licenses	BAAQMD	\$435.00	9/29/2022	38112	GOVERNMENT FEES	T143712
7001 - Utilities - Internet/Cable	COMCASTB	\$308.47	9/29/2022	38120		9142022
7001 - Utilities - Internet/Cable	TMOBILE	\$31.40	9/29/2022	38134		9212022
7001 - Utilities - Internet/Cable	COMCASTB	\$308.47	9/30/2022	38138		9142022
7003 - Utilities - Electric - Pumping	PG&E	\$27.94	9/29/2022	38129	FOLGER PUMP STATION	2454-4 09122022
7003 - Utilities - Electric - Pumping	PG&E	\$95.71	9/29/2022	38129	WEST BELMONT PUMP STATION	3667-2 09122022
7003 - Utilities - Electric - Pumping	PG&E	\$115.20	9/29/2022	38129	HALLMARK PUMP STATION	6556-8 09132022
7003 - Utilities - Electric - Pumping	PG&E	\$389.21	9/29/2022	38129	DEKOVEN PUMP STATION	7816-1 09122022
7003 - Utilities - Electric - Pumping	PG&E	\$273.12	9/29/2022	38129	BUCKLAND PUMP STATION	7951-5 09132022
7003 - Utilities - Electric - Pumping	PG&E	\$7,605.20	9/29/2022	38129	HANNIBAL PUMP STATION	8936-0 09132022
7003 - Utilities - Electric - Pumping	PG&E	\$22,869.88	9/29/2022	38129	TUNNELS PUMP STATION	9032-7 09192022
7004 - Utilities - Electric-Bldgs&Grnd	PG&E	\$13.95	9/29/2022	38129	DAIRY LANE - GAS	4441-0 08282022
7004 - Utilities - Electric-Bldgs&Grnd	PG&E	\$10,653.70	9/29/2022	38129	DAIRY LANE / REGULATOR STATIONS	4665-4 08232022
7005 - Utilities - Telephones	ATT60197	\$26.38	9/8/2022	38079		18689418
7005 - Utilities - Telephones	ATT60197	\$49.30	9/8/2022	38079		18717564

**SEPTEMBER 2022 EXPENDITURES**  
**Sorted by AP Account**

AP Account	Vendor Name	Payment	Check Date	Check Number	Description	Invoice Number
7005 - Utilities - Telephones	TMOBILE	\$31.40	9/8/2022	38093		8212022
7005 - Utilities - Telephones	ATT60197	\$26.76	9/29/2022	38111	DAIRY LANE ANALOG	18742973
7005 - Utilities - Telephones	ATT60197	\$77.03	9/29/2022	38111	DAIRY LANE ANALOG	18743213
7005 - Utilities - Telephones	ATT60197	\$24.87	9/29/2022	38111	DAIRY LANE ANALOG	18793376
7005 - Utilities - Telephones	ATT60197	\$25.26	9/29/2022	38111		18793377
7005 - Utilities - Telephones	ATT60197	\$887.07	9/29/2022	38111		18809718
7005 - Utilities - Telephones	COMCASTB	\$113.38	9/29/2022	38120	WEST BELMONT TANKSITE	9102022
7005 - Utilities - Telephones	COMCASTB	\$113.82	9/29/2022	38120	HERSOM TANKSITE	9102022
7005 - Utilities - Telephones	COMCASTB	\$113.72	9/29/2022	38120	BUCKLAND TANKSITE	9102022
7005 - Utilities - Telephones	COMCASTB	\$725.70	9/29/2022	38120		155215452
7005 - Utilities - Telephones	COMCASTB	\$2,087.93	9/29/2022	38120		155400284
7005 - Utilities - Telephones	COMCASTB	\$113.72	9/30/2022	38138	BUCKLAND TANKSITE	9102022
7005 - Utilities - Telephones	COMCASTB	\$113.82	9/30/2022	38138	HERSOM TANKSITE	9102022
7005 - Utilities - Telephones	COMCASTB	\$113.38	9/30/2022	38138	WEST BELMONT TANKSITE	9102022
7005 - Utilities - Telephones	COMCASTB	\$725.70	9/30/2022	38138		155215452
7005 - Utilities - Telephones	COMCASTB	\$1,108.71	9/30/2022	38138		155400284
7101 - Prof Serv - District Counsel	HANSONBR	\$423.50	9/14/2022	102500	LEGAL SERVICES AUGUST 2022	1328666
7101 - Prof Serv - District Counsel	HANSONBR	\$346.50	9/14/2022	102500	LEGAL SERVICES AUGUST 2022	1328667
7101 - Prof Serv - District Counsel	HANSONBR	\$4,726.00	9/14/2022	102500	LEGAL SERVICES AUGUST 2022	1328668
7102 - Prof Serv - District Engineer	PAKPOUR	\$801.94	9/14/2022	102501	MISC PROJECTS	3855
7102 - Prof Serv - District Engineer	PAKPOUR	\$500.00	9/14/2022	102501	RETAINER	3855
7102 - Prof Serv - District Engineer	PAKPOUR	\$123.38	9/14/2022	102501	CIP	3855
7102 - Prof Serv - District Engineer	PAKPOUR	\$3,328.50	9/14/2022	102501	DEVELOPMENT REVIEW	3855
7102 - Prof Serv - District Engineer	PAKPOUR	\$1,907.06	9/14/2022	102501	DISTRIBUTION SYSTEM ANALYSIS	3855
7102 - Prof Serv - District Engineer	PAKPOUR	\$1,048.69	9/14/2022	102501	MISC PROJECTS	3878
7102 - Prof Serv - District Engineer	PAKPOUR	\$500.00	9/14/2022	102501	RETAINER	3878
7102 - Prof Serv - District Engineer	PAKPOUR	\$938.44	9/14/2022	102501	CIP	3878
7102 - Prof Serv - District Engineer	PAKPOUR	\$3,098.81	9/14/2022	102501	DISTRIBUTION SYSTEM ANALYSIS	3878
7102 - Prof Serv - District Engineer	PAKPOUR	\$1,208.81	9/14/2022	102501	DEVELOPMENT REVIEW	3878
7103 - Prof Serv - It	STEPFORD	\$3,237.50	9/29/2022	38132	ADDITIONAL SERVICES	2205400
7107 - Prof Serv - Customer Billing	RMORGAN	\$2,081.63	9/14/2022	38101	AUGUST 2022 WATER BILLS	3837358
7107 - Prof Serv - Customer Billing	DFS	\$2,702.85	9/14/2022	102499	POSTAGE FOR AUG 2022 WATER BILLS	48899P
7107 - Prof Serv - Customer Billing	RMORGAN	\$280.06	9/29/2022	38130	SEPTEMBER REMINDER NOTICES	3852921
7107 - Prof Serv - Customer Billing	DFS	\$167.92	9/29/2022	102506	POSTAGE FOR SEPT REMINDER NOTICES	49091P

**SEPTEMBER 2022 EXPENDITURES**  
**Sorted by AP Account**

AP Account	Vendor Name	Payment	Check Date	Check Number	Description	Invoice Number
7108 - Prof Serv - Recruiting	OCCHECEN	\$182.50	9/29/2022	38128	RECRUITING	76260931
7110 - Prof Serv - Miscellaneous	EKIENVIR	\$12,000.00	9/8/2022	102493	50% COMPLETION AS OF 08.19.22	C20104.00-01
7110 - Prof Serv - Miscellaneous	EKIENVIR	\$12,000.00	9/8/2022	102493	50% COMPLETION AS OF 08.19.22	C20105.00-01
7110 - Prof Serv - Miscellaneous	GLOBALSU	\$313.00	9/8/2022	38085		5151
7110 - Prof Serv - Miscellaneous	GLOBALSU	\$637.00	9/8/2022	38085		5151
7110 - Prof Serv - Miscellaneous	BESTBEST	\$3,640.00	9/14/2022	102497	WSA REVIEW AND INPUT	944302
7110 - Prof Serv - Miscellaneous	DAVIDDES	\$3,125.00	9/14/2022	102498	SERVICES FOR AUGUST 2022	2688
7110 - Prof Serv - Miscellaneous	BAWSCA	\$360.00	9/29/2022	38113	AWWA WATER LOSS ANNUAL VALIDATION	8150
7110 - Prof Serv - Miscellaneous	HFHCONLT	\$3,653.00	9/29/2022	102507	RATE STUDY	9719498
7111 - Prof Serv - District Treasurer	CHAVAN	\$10,668.75	9/29/2022	38117	FIRST INVOICE COVERING PERIODS: 05/16/22-09/07/22	17559
7201 - Director Travel	ACWADUES	\$775.00	9/29/2022	38110	ACWA 2022 FALL CONF & EXHIBITION- KIRK WHEELER	FCINV-22-616
7201 - Director Travel	ACWADUES	\$75.00	9/29/2022	38110	ACWA 2022 FALL CONF CANCELLATION FEE- CATHY JORDAN	FCINV-22-617
7204 - Employee Travel/Training	RUDOCK	\$788.18	9/8/2022	38089	CSDA CONFERNCE 08.22.22-08.25.22	
7204 - Employee Travel/Training	KATWUELF	\$528.13	9/8/2022	38094	CSDA CONFERENCE 08.22.22-08.24.22	
7204 - Employee Travel/Training	ACWADUES	\$775.00	9/29/2022	38110	ACWA 2022 FALL CONF & EXHIBITION- RENE RAMIREZ	FCINV-22-618
7204 - Employee Travel/Training	ACWADUES	\$775.00	9/29/2022	38110	ACWA 2022 FALL CONF & EXHIBITION- KAT WUELFING	FCINV-22-630
7204 - Employee Travel/Training	OKADA	\$162.32	9/29/2022	38131	SPRINGBROOK CONF TRAVEL EXPENSE 09/14-09/16	9142022
7204 - Employee Travel/Training	KATWUELF	\$58.50	9/29/2022	38137	CALWEP FALL PLENARY MEETING	09082022 TRAVEL
7204 - Employee Travel/Training	OKADA	\$162.32	9/30/2022	38139	SPRINGBROOK CONF TRAVEL EXPENSE 09/14-09/16	9142022