

GREATER LOS ANGELES COUNTY VECTOR CONTROL DISTRICT

12545 Florence Avenue, Santa Fe Springs, CA 90670

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A G E N D A

BOARD OF TRUSTEES AUDIT COMMITTEE AGENDA

Tuesday, April 25, 2023
6:30 P.M.

District Office

12545 Florence Avenue, Santa Fe Springs, CA 90670

and on Zoom by Trustee Denise Diaz representing the City of South Gate

(per Government Code Section 54953(b))

Courtyard Marriott Hermosillo

Periférico Ote. 1274, Perisur, 83290 Hermosillo, Son., Mexico

1. **CALL TO ORDER**

2. **PUBLIC COMMENT**

(This is the time for public comment on the Committee's agenda items.)

3. **CONSIDER COMMITTEE ITEM(S)**

Matter(s) before the Committee:

- Contract proposal presentations from potential auditing firms and selection of new auditing services contract for FY 23/24 through FY25/26 (EXHIBIT A)

4. **ADJOURN COMMITTEE MEETING**

If you are an individual with a disability and need a reasonable modification or accommodation pursuant to the Americans with Disabilities Act ("ADA") please contact Araceli Hernandez at ahernandez@GLAmosquito.org prior to the meeting for assistance.

**PROPOSAL FOR PROFESSIONAL AUDITING SERVICES
Greater Los Angeles County Mosquito & Vector Control District**

**For the Fiscal Years Ending
June 30, 2023-2025
(with option for two subsequent years)**

NIGRO & NIGRO^{PC}

Respectfully Submitted on March 31, 2023 by:

Paul J. Kaymark, CPA
Nigro & Nigro, PC
pkaymark@nncpas.com
Federal Tax ID: 30-0636241
Nncpas.com

Murrieta Office: 25220 Hancock Ave. #400, Murrieta, CA 92562 • P: (951) 698-8783 • F: (951) 699-1064
Walnut Creek: 2121 N. California Blvd. #290, Walnut Creek, CA 94596 • P: (844) 557-3111 • F: (844) 557-3444

Let's Work Together!



*By applying our financial expertise,
we partner with our clients to build
valuable relationships that inspire success.*

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March 31, 2023

Ms. Carolyn Weeks, Director of Fiscal Operations
Greater Los Angeles County Mosquito & Vector Control District
12545 Florence Avenue
Santa Fe Springs, CA 90670

Dear Ms. Weeks,

Thank you for the opportunity to submit this proposal to provide audit services for the Greater Los Angeles County Mosquito & Vector Control District (District). Our understanding of the work to be done is: the annual audit of the District's financial statements for the fiscal years ending June 30, 2023-2025, with an option to extend for two additional years. Based on our history with special districts, I believe our firm would be a great fit, and we would develop a great working relationship. Our staff works hard to help ensure our audits are completed with the highest level of service and meet all deadlines.

Although many people think that all mosquito & vector control districts function in the same manner, we know that's not the case. The audit leadership team we've assigned to your District, including myself, will take the time to learn the intricacies of your organization. We find that by delving deep into our client's structure and operations we are able to make recommendations that are not only useful, but also practical to implement.

At Nigro & Nigro, PC, our greatest strengths correspond to your most critical needs; we possess the full spectrum of resources needed to most effectively help the District's management team and Board members meet their goals – all at a very competitive rate. We believe we are your best choice.

- **Credibility, Reputation, and Resources of a Large Firm** without sacrificing the small-firm touch. Our CPAs and consultants can help you analyze and address financial, operational, and regulatory issues so you can focus attention on serving your citizens. We were originally formed in 1999, and now perform annual audits for approximately 80+ public agencies annually.
- **State-Wide Reach with Local Presence.** At Nigro & Nigro, we have the benefit of having the resources of a state-wide firm while serving you from our Murrieta (Headquarters) office. We also have an office in Walnut Creek for additional resources.
- **Efficiency.** Our use of portal software allows you to upload audit documentation at any time, which will minimize disruption to your staff and enable timely completion of all deliverables.

- **An Efficient and Effective Work Plan.** We currently serve over 80+ governmental entities state-wide, which enables our staff to understand the scope of the audit. We also understand the District's complexities, not just from a compliance standpoint but also from an operational point of view. We have developed an effective work plan that takes into consideration your needs for high quality audit services, as well as timely deliverables. As a result of our efficient work plan, we commit to meeting your deadlines to complete our auditing services within the time period you specify.
- **Thought Leadership.** Members of our firm have been actively involved as presenters in numerous industry conferences and programs, including the GFOA, CSDA, and CSMFO. We have incorporated our experience with these committees into our audit framework.
- **Engagement Team.** We know that quality people drive quality results, which is why our commitment to you starts with the engagement team members who are selected based on their experience, focus on serving local government agencies, and who are the best fit for you. Each of the District's engagement team members have completed and exceeded the mandatory requirement for continuing professional education hours as requested in the RFP. Paul Kaymark, Partner, will be the main contact for the District regarding this project.
- **A Focus on Providing Consistent, Dependable Service to Government Entities.** Nigro & Nigro is organized by industry, affording our clients with industry-specific expertise supplemented by valuable local service and insight. Therefore, the District will enjoy the service of members of our Governmental Audit Services Team who have experience with similar governmental entities and understand the issues and environment critical to you. You will not have to train our auditors.

You may have many options in selecting a professional audit firm. By choosing Nigro & Nigro, you will gain value-added accounting and operational insights. We are the right fit for the District, as we have the expertise and depth of resources within our firm to offer you exceptional service while maintaining a sincere and honest relationship. We understand the work, we are committed to meeting your deadlines, and we would like the opportunity to continue to be your auditors. We also commit to meeting or exceeding your expectations.

Thank you once again for the opportunity to present our qualifications. If you have any questions about our offerings, please do not hesitate to contact me.

Sincerely,



Paul J. Kaymark, CPA
Audit Services Partner

LICENSE TO PRACTICE IN CALIFORNIA

The Firm and its entire CPA staff hold licenses to practice in the State of California. The Firm's CPA's are all members in good standing with the California Society of CPA's and the AICPA. We will assign a California licensed CPA as the auditor in charge of the audit.

PROFILE OF THE FIRM

Statement of Independence

Our standards require that we be without bias with respect to your operations. The Firm is independent of all entities listed in the RFP, as defined by auditing standards generally accepted in the United States of America and the U.S. General Accounting Office's "Governmental Auditing Standards". In addition, the Firm shall give the District written notice of any relevant professional relationships entered into during the period of this agreement.

Experience

Nigro & Nigro team members are highly trained in governmental accounting and auditing, which sets us apart as being able to add value beyond the basic attest engagement. We are comfortable working with clients of various sizes. Within the past five years, we have worked with numerous governmental clients with revenues ranging from \$200,000 to over \$300 million.

Prior to any audit engagement, our engagement team leader will meet with the Board, Audit Committee and Management to gain a full understanding of the philosophy, objectives and policies for operating the organization, as well as to discuss significant business, regulatory and accounting matters that will affect the audit. At the conclusion of the audit, we will communicate the results of the audit with the Board, Audit Committee and Management.

Areas of specialization include:

- Audit and Review Services
- Government Auditing Standards & Single Audits
- Annual Report of Financial Transactions
- Agreed Upon Procedures Engagements
- Comprehensive Annual Financial Report (CAFR) development

PROFILE OF THE FIRM (CONTINUED)

Size of Our Firm

Firm-wide, we have the following staffing for our governmental audit services:

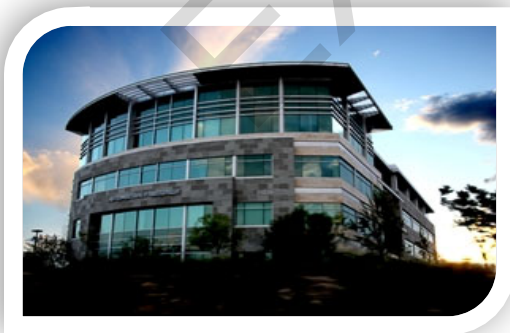
Position	Number of Employees	Number of Licensed CPA's
Partner*	7	7
Senior Manager	1	1
Manager	3	1
Supervisor	1	-
Senior	8	1
Associates	10	-
Support Staff	3	-
Total	33	10

**Although the term "partner" is used throughout this proposal to avoid confusion, the firm is organized as a Professional Corporation, and the firm's owners are "shareholders."*

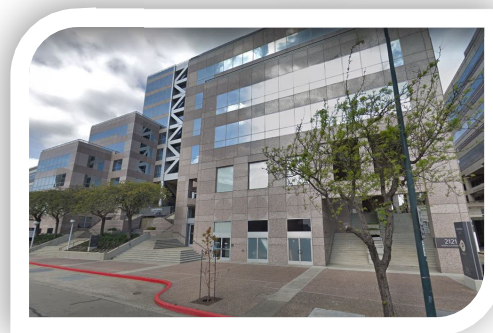
Size and Location of Offices

The firm was originally established in 1999. In 2013, we opened our second office in Northern California in order to better serve our growing client base of agencies in the San Francisco Bay Area. The Firm now has five partners and a professional staff of 18 accountants and expects to add more in the coming years as we continue to grow. We are a full service firm, providing audit and review, tax, consulting, and accounting services to local government, non-profit organizations, charter schools, commercial businesses and homeowners' associations. The office serves clients of all sizes and industries, however, we focus on government agencies, just like yours.

We are prepared to do what it takes to provide the extra level of service required to maintain a long-term business relationship.



MURRIETA OFFICE



WALNUT CREEK OFFICE

Range of Activities Performed

- Consulting and other services for numerous other agencies and not-for-profits
- Tax services for individuals, corporations, and non-profit organizations

PROFILE OF THE FIRM (CONTINUED)

Peer Review

Our firm's most recently issued peer review report can be found under the "Additional Documents" section of the proposal. A firm can receive a "Fail", "Pass with Deficiencies", or a "Pass" rating. The firm's most recent peer review report rating was a Pass. This rating indicates that the firm's system of quality control has been suitably designed and complied with to provide the audit organization with reasonable assurance of performing and reporting in conformity with professional standards and applicable legal and regulatory requirements in all material respects. As required by our membership in the Government Audit Quality Center (GAQC), the peer review included a selection of a sample of governmental audit engagements.

Meet Your Audit Leadership Team

Listed on the following pages are the resumes of the management team that will be assigned to your audit. As mentioned previously, our staff members have considerable governmental audit experience. This gives us a pool to draw on in addition to the group listed.

Name	Role	Years of Experience in Audits
Paul J. Kaymark, CPA	Lead Partner	29
Peter Glenn, CPA	Review Partner	15
Jared Solmons, CPA	Audit Manager	5
Stacy Macias	Audit Supervisor	5
Anabel Cruz, CPA	Audit Senior	4

Paul J. Kaymark, CPA

Lead Audit Partner

Paul joined the firm in 2019 and has more than 26 years of previous public accounting and auditing governmental entities experience. Paul is our choice for new governmental audit clients, having extensive experience in the areas of governmental entities. His main responsibilities include assistance in the preliminary planning of audit work, review of assistants' work, and performing audit procedures in more complex audit areas.

Audit Services:

Mr. Kaymark has been working on audit engagements of governmental agencies, not-for-profit organizations, as well as for-profit corporations and companies. His previous experience includes audit and consulting work for large and small businesses with a focus on client service. Paul strives to build strong relationships with his clients by assisting them with any emerging issues and being available as a resource.

Consulting Services:

Mr. Kaymark has experience in a variety of governmental issues, garnered from his auditing experience over the years. He regularly consults with clients in areas of:

Special District Accounting:

- Internal controls
- Financial reporting
- Annual report of financial transactions

Financial Reporting:

- Year-end closing procedures
- Cash flows
- Budget development and projections
- Multi-Year projections
- Pension and OPEB accounting

Some Agencies Served:

- Palmdale Water District
- Mojave Water Agency
- Western Municipal Water District
- El Toro Water District
- East Orange County Water District
- Trabuco Canyon Water District



California Special Districts Association

CSDA

Districts Stronger Together

CSDA Workshop Speaker



Education:

Bachelor of Science, Business Administration, Accountancy
California State University, Long Beach
1994

Licenses and Certifications:

- Certified Public Accountant, California
- GFOA Certificate for Excellence in Financial Reporting - Reviewer

Professional Affiliations:

- Government Finance Officers Association (GFOA)
- California Society of Municipal Finance Officers (CSMFO)
- California Special District Association (CSDA)

Continuing Education:

Various municipal accounting courses offered by the AICPA, CalCPA Education Foundation including:

- Governmental and Nonprofit Annual Update
- GASB Basic Financial Statements for State and Local Governments
- Single Audits: Uniform Grant Guidance (formerly OMB Circular A-133)
- Financial Accounting Standards Board Annual Updates



Water and Wastewater Clients Audited and/or Consulted With Over My Career

Water and Wastewater

Metropolitan Water District of Southern California
Los Angeles County Sanitation District
Long Beach Water Department
Glendale Water and Power
Colton Public Utilities
Baldy Mesa Water District
Bear Valley Community Services District
Beaumont-Cherry Valley Water District
Big Bear City Community Services District
Cabazon Water District
California Domestic Water Company
Casitas Municipal Water District
Castaic Lake Water Agency
Chino Basin Water Conservation District
Chino Basin Watermaster
Coachella Valley Water District
Diablo Water District
East Orange County Water District
El Toro Water District
Farm Mutual Water Company
Golden Hills Community Services District
Goleta Water District
Hi-Desert Water District
Inverness Public Utilities District
Irvine Ranch Water District
Joshua Basin Water District
Jurupa Community Services District
Leucadia Wastewater District
Mesa Consolidated Water District
Mojave Water Agency
Monte Vista Water District
Montecito Water District
North Coast County Water District
North Marin Water District
Novato Sanitary District
Palmdale Water District

Water and Wastewater, continued

Phelan Pinon Hills Community Services District
Pomona Valley Protective Agency
Purissima Hills Water District
Rincon del Diablo Water District
Rosamond Community Services District
Rossmoor Los Alamitos Area Sewer District
Sacramento Suburban Water District
San Bernardino Valley Water Conservation District
San Gabriel Valley Municipal Water District
San Lorenzo Valley Water District
Santa Ana Watershed Project Authority
Santa Margarita Water District
Saticoy Sanitary District
Solano County Water Agency
Soquel Creek Water District
Stallion Springs Community Services District
Summerland Sanitary District
Trabuco Canyon Water District
Tres Pinos Water District
Triunfo Sanitation District
Twentynine Palms Water District
Vallecitos Water District
Valley County Water District
Ventura Regional Sanitation District
Victor Valley Water District
Victor Valley Wastewater Reclamation Authority
Victorville Water District
Water Facilities Authority - Joint Power Agency
Water Replenishment District
West County Agency
West County Wastewater District
West Valley Water District
Westborough Water District
Western Municipal Water District
Western Riverside County Regional Wastewater
Yorba Linda Water District

Peter Glenn, CPA

Review Partner

Peter joined the firm in 2011 after nearly three years of previous public accounting and auditing experience. Peter will work under the general direction of the partner. Peter is our choice for new governmental audit clients, having successfully worked on each of the Firm's clients since beginning with the Firm. His main responsibilities include assistance in the preliminary planning of audit work, review of assistants' work, and performing audit procedures in more complex audit areas.

Audit Services:

Peter Glenn began his auditing career with Nigro & Nigro in 2011, participating in audits of special districts, LEAs, other governmental audits, and agreed-upon procedure engagements. Prior to joining the firm, he worked for three years at another public accounting firm, developing his auditing skills. He has previously been the in-charge accountant for some of the firm's largest clients.

Consulting Services:

Mr. Glenn has experience in a variety of governmental accounting issues, derived from his auditing experience at the firm. He regularly consults with clients in areas of:

Special District Accounting:

- Internal controls
- Financial reporting & GASB 34
- Annual report of financial transactions

Financial Reporting:

- Uniform Guidance
- Performance Audits
- Year-end closing procedures
- Cash flows
- Budget development and projections
- Multi-Year projections

Other Agencies Served:

- Riverside County Open Space and Park District
- Cahuilla Band of Indians
- Central Basin Municipal Water District
- Murrieta Valley Cemetery District
- Elsinore Valley Cemetery District
- Alamo-Lafayette Cemetery District
- Bodega Bay Fire Protection District
- Los Angeles Harbor Cemetery District



Education:

Bachelor of Science, Business Administration, Accounting
California State University,
San Marcos, 2008, Magna Cum Laude

Licenses and Certifications:

- Certified Public Accountant, California

Continuing Education:

- CASBO Annual Conference
- SSC Finance & Management Conferences
- Government Accounting & Auditing Conference
- In-house training for audit staff (presenter)



Jared Solmons, CPA

Manager

Jared joined the firm in 2019 as a Staff Accountant. After completing his degree, Jared went to work for a midsize construction company where he worked as an estimator and project manager before transitioning into more of an accounting and finance role. It was working in this role that led him to the decision to pursue the goal of becoming a Certified Public Accountant. He continues to hone his skills and expand his knowledge as he branches out into different areas of accounting services and working with various governmental agencies and not-for-profit organizations. Jared will work under the general supervision of the partner and oversee staff as they work together through different audit areas.



Audit Services:

Jared began his career with Nigro & Nigro working on LEA audits before transitioning to focus on special districts and not-for-profit organizations. He focuses on a customer-oriented approach to auditing, striving to build strong relationships by working with clients to help them navigate the ever-changing world of accounting rules and standards.

Consulting Services:

Jared has experience with a variety of governmental and not-for-profit accounting issues, as well as other tax and audit concerns, derived from his audit and consulting experience at the firm. He regularly consults with clients in the areas of:

Special District Accounting:

- Internal control policies, procedures, and best practices
- Year-end closing procedures
- Capital asset and depreciation schedule

Financial Reporting:

- Federal and state compliance
- Single audits
- Revenue and expense tracking by program/grant
- Statement of functional expense
- Compiling financial statements
- Disclosure requirements

Other Agencies Served:

- Palmdale Water District
- Scotts Valley Water District
- Oxnard Harbor District
- Big Bear City Airport District
- Pauma Valley Community Services District
- North County Fire Protection District
- San Gabriel Valley Mosquito & Vector Control District
- Ventura County Resource Conservation District
- Tehachapi Valley Recreation & Park District
- Murrieta Valley Cemetery District

Education:

Bachelor of Science, Business Administration, Finance
California State University,
San Marcos, 2013

Licenses and Certifications:

- Certified Public Accountant, California

Continuing Education:

- AICPA webinars and CPE
- California Special Districts Association Conference
- Spidell Tax Seminar
- In-house training for audit staff (presenter)

Additional Areas:

- Tax preparation
- QuickBooks knowledge

Stacy Macias

Supervisor

Stacy joined the firm in 2018 as a staff accountant after completing her degree at California State University, Chico and has worked her way up to Senior Accountant. Stacy has worked in a variety of the firm's audit and tax departments. Stacy continues to expand her knowledge as she branches out into different areas of accounting services and working with varying governmental and not-for profit clients. Stacy will work under the general direction of the partner and oversee staff as they work together through different audit areas.

Audit Services:

Stacy began her auditing career on audit engagements of local education agencies, charter schools, governmental agencies, and non-for-profit organizations. Stacy enjoys auditing governmental agencies and non-for-profit due to their varying structures and sizes. Stacy truly values customer service and building client relationships. Her friendly demeanor makes clients comfortable in reaching out to her during the audit process or throughout the year.

Consulting Services:

Stacy has experience in a variety of governmental and not-for-profit accounting, tax, and audit concerns, derived from her audit and consulting experience those industries. She regularly consults with clients in the areas of:

Financial Reporting:

- Year-end closing procedures
- Internal control policies and procedures and best practices
- Compiling Financial Statements
- Revenue and Expense tracking by program/grant
- Statement of Functional Expenses
- Capital assets and depreciation schedules
- Disclosure requirements
- Federal and State compliance

Additional Areas:

- Tax preparation
- QuickBooks knowledge

Other Agencies Served:

- Palmdale Water District
- Ventura County Conservation District
- Antelope Valley Resource Conservation District
- Rowland Water District
- North County Fire Protection District
- Bolinas Fire Protection District
- Bodega Bay Fire Protection District



Education:

Bachelor of Science, Business Administration, Accounting
California State University,
Chico, 2018

Licenses and Certifications:

- CPA License Candidate (expected licensure in 2022)

Continuing Education:

- CalCPA Conferences for Governmental Accounting and Auditing and Not-for-profit Organizations
- Spidell Tax Seminar
- Western CPE Tax update webinars
- In-house training for audit staff (presenter)

Anabel Cruz, CPA

Audit Senior

Anabel began her career in public accounting in 2019 with Nigro & Nigro, PC. Previous to joining the firm, she worked as an Accountant at private sector companies. She has passed the CPA examination and is working towards meeting the requirements needed for licensure. Anabel's audit experience includes audits of governmental and not-for-profit organizations such as cemeteries, resource conservation districts, water Districts, fire Protection Districts and community Service Districts. Anabel values building quality relationships with clients while providing timely and reliable services. Anabel is working under the general direction of the Audit Supervisor.



Audit Services:

Anabel has experience with a variety of governmental and not-for-profit accounting issues derived from her audit and consulting experience at the firm. She regularly consults with clients in the areas of:

Consulting Services:

Anabel has experience in a variety of governmental and not-for-profit accounting and audit concerns, derived from her audit and consulting experience those industries. She regularly consults with clients in the areas of:

Financial Reporting:

- Year-end closing procedures
- Agreed upon procedures
- Internal control policies and procedures and best practices
- Capital assets and depreciation schedules

Other Agencies Served:

- Palmdale Water District
- North County Fire Protection District
- Ventura County Resource Conservation District
- County of San Bernardino ATC
- Winters Cemetery District

Education:

Bachelor of Science, Finance and Accountancy
California State University, Northridge,
2014

Licenses and Certifications:

- Certified Public Accountant, California

Continuing Education:

- Government Accounting & Auditing Conference
- Not-For-Profit Organizations Conference
- In-house training for audit staff

PROFILE OF THE FIRM (CONTINUED)

Training & Resources

The Firm is committed to a continuing professional education program, which emphasizes the areas of expertise of each member of our professional staff. The Firm is required to comply with the *Government Auditing Standards* for each professional practicing in the area of governmental accounting and auditing. We are committed to follow those standards, which result in quality audit services, including continuing education for all staff of 60-80 hours each year, specifically in school districts and governmental auditing. As required by *Government Auditing Standards*, all governmental audit staff receives the required continuing education in the area of governmental auditing and accounting. These policies are monitored internally, reviewed annually and certified periodically by independent peer review.

Library facilities are maintained which include current professional literature and specific information for the industries that we serve. The Firm library is also reviewed as part of the external quality review program. The Firm has in-house training programs specific to our school district clients. We also perform auditing and accounting updates for our clients that are organized by our staff. These practices ensure the quality of our staff over the term of the engagement.

Our staff participates in activities relating to government accounting and reporting issues through our membership and involvement with the following organizations:

- a. American Institute of CPA's Governmental Audit Quality Center
- b. California Society of CPAs
- c. Government Finance Officers Association (GFOA)
- d. California Special Districts Association (CSDA)
- e. Government Accounting Standards Board (GASB)
- f. Association of Certified Fraud Examiners (ACFE)

We recognize that our most important product is prompt and effective service.

Through our participation in these organizations and continuing education provided by them, the Firm continues to stay abreast of all current governmental accounting and reporting issues. Some of the professional education our audit team members have either presented at or attended in the last two years include:

- SSC Annual Finance and Management Conference
- SSC Governor's Budget Workshop
- CSDA Annual Conference
- CSMFO Conference
- GFOA Annual Conference
- Various other governmental workshops

We recognize that our most important product is prompt and effective service. We believe the District should work with its CPA firm throughout the entire year. We are available at any time throughout the year to provide any assistance you may need.

PROFILE OF THE FIRM (CONTINUED)

Similar Engagements with Other Special Districts

We currently conduct over 80+ government audits each year and have well rounded experience with local governmental agencies. We are excited for the opportunity to devote our attention to you and your specific needs. Below is a partial list of some similar governmental clients we are currently auditing.

Please contact our clients for a Reference of our services!

Let's start with our current Mosquito & Vector Control District audit clients:

San Gabriel Valley Mosquito & Vector Control District – Rose Alba, Dir of Admin. (626) 814-9466 – A Peer District to GLACMVCD in LA County – Allows us to understand the complexities of the LA County Treasury and Property Tax & Assessment collection process for the District.

ACFR Preparation Clients:

Costa Mesa Sanitary District – Kaitlin Tran, FM (949) 645-8400

Hi-Desert Water District – Tanya Gruwell, CFO (760) 228-6271

Las Gallinas Valley Sanitary District – Dale McDonald, ASM (415) 526-1519

Scotts Valley Water District – Nicolas Kuns, FM (831) 600-1904

Trabuco Canyon Water District – Michael Perea, AGM (949) 858-0277

Other Special District Clients:

Calleguas Municipal Water District – Dan Smith, MAS – (805) 579-7132

Montecito Water District – Olivia Rojas, BM (805) 969-2271

Rowland Water District – Myra Malner, DF (562) 697-1726

*** Please check the websites of these above noted clients to review the Financials prepared by our Firm.**

SCOPE OF THE AUDIT

We will audit the basic financial statements of the District for the fiscal year ended June 30, 2023-2025 in accordance with the following standards:

- Auditing Standards Generally Accepted in the United States of America
- *Government Auditing Standards*, issued by the Comptroller General of the United States
- Minimum Audit Requirements and Reporting Guidelines for Special Districts

Our audit will be for the purpose of expressing an opinion on the basic financial statements, and will include such auditing procedures as considered necessary to accomplish this purpose. We will also provide an "in-relation-to" opinion on any other supplemental information and statistical schedules. We anticipate issuing the following reports:

- Independent Auditors' Report on the basic financial statements.
- Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.

In addition, we will provide the District with a management letter that will give written appraisals of its accounting and related systems. This letter will identify any control deficiencies, significant control deficiencies or material weaknesses that are identified during the audit. We will work with management before audit fieldwork and during the course of the audit to assess internal controls and review mitigating controls in place in an effort to reduce the control deficiencies, significant control deficiencies and material weaknesses that need to be reported to management in writing, assuming there are mitigating controls in place. The letter will also offer recommendations for the elimination of weaknesses that we identify, and we will suggest any methods we discover to help improve efficiency and effectiveness.

We will schedule an appearance with the Board and the Audit Committee that allows an opportunity for us to present the audit and management letter. This is an excellent time for the District to resolve any questions it has regarding our audit or management letter. As mentioned earlier, the value in hiring our Firm comes from not only the audit, but from our experience and the education, we can provide. We hope that as questions or concerns arise throughout the year, the District staff will contact us and draw on our knowledge and experience.

Non-significant deficiencies discovered during the audit process shall be reported in a separate letter to management, the Board and the Audit Committee, which shall be referred to in the report(s) on internal controls. This separate letter also informs the Board and the Audit Committee of the following:

- 1) The auditor's responsibility under auditing standards generally accepted in the United States of America.
- 2) Significant accounting policies.
- 3) Management judgments and accounting estimates.
- 4) Significant audit adjustments.
- 5) Other information in documents containing audited financial statements.
- 6) Disagreements with management.
- 7) Management consultation with other accountants.
- 8) Major issues discussed with management prior to retention.
- 9) Difficulties encountered in performing the audit.

All working papers and reports will be retained at the Firm's expense for a minimum of seven (7) years, unless the Firm is notified in writing by the District of the need to extend the retention period.

SCOPE OF THE AUDIT(CONTINUED)

Segmentation of Engagement

STEP 1: Planning

Our goal in preliminary fieldwork is to gain a thorough understanding of your internal controls, processes and procedures. Our goal is to accomplish as much interim fieldwork as possible so that our stay during final fieldwork is kept to a minimum. Our preliminary work focuses on planning and internal control documentation.

STEP 2: Interim Field Work

Internal Control Documentation

Our internal control documentation usually occurs during interim fieldwork. Our documentation process will be as follows:

- 1) Gather or update documentation for significant processes defined in our preliminary fieldwork.
- 2) Perform a "walk-through" of these significant processes.
- 3) Ask "what can go wrong" questions.
- 4) Identify controls in place. This will include both preventative and detective controls.
- 5) Evaluate the design of internal controls.
- 6) Decide whether to test and rely on controls.
- 7) Summarize preliminary fieldwork and submit management letter of all areas of concern.

STEP 3: Final Fieldwork

We assess risks, design procedures and obtain evidence to support financial statement amounts and disclosures during final fieldwork. Our Firm utilizes a methodology designed specifically for special districts. Our process emphasizes continuous communication with our staff.

Assess Risks and Design Procedures

As outlined in the risk based statements of audit standards (SAS 104 to 111), our Firm uses a risk-based approach to the audit. Our procedures to assess risks and design procedures are as follows:

- 1) Assess risk of material misstatement from errors or fraud based on internal controls combined with inherent risk of significant accounts.
- 2) Design procedures to test controls if considered necessary.
- 3) Design procedures to test details of account balances and classes of transactions based on risk.

Interim and Year End Testing

- 1) Perform tests of controls if considered necessary.
- 2) Perform tests of details of account balances and classes of transactions.
- 3) Evaluate quality and sufficiency of audit evidence.
- 4) Evaluate misstatements.

STEP 4: Audit Completion

Preparation of Audit Report and Management Letter

After reviewing the financial statements, notes and required supplementary schedules, we will agree the data to our working papers and provide a thorough review of all information by using written Firm standards and checklists. We will also review and incorporate any statistical data. This will verify appropriate presentation and disclosure. We will also at this time prepare our management letter that identifies financial trends and recommendations for improvement, reports required communications to the governing board, and discusses change in the environment in which the District operates.

SCOPE OF THE AUDIT (CONTINUED)

Proposed Schedule/Level of Staff & Number of Hours Assigned to Each Segment

We will provide a detailed audit plan and prepare a list of schedules upon proposal acceptance. The following table summarizes our proposed segmentation of the engagement by date, segment, and level of staff:

Date/Segment	Total Hours			Total
	Partner/Manager	Supervisor	Staff/Admin	
April/May				
Preliminary planning and fieldwork	8	8	10	26
May/June				
Interim fieldwork	18	20	15	53
September/October				
Final fieldwork, report preparation, review, finalization, and presentation	30	24	45	99
Total hours	56	52	70	178
	56	52	70	
Preliminary planning and fieldwork	8	8	10	26
Control	18	20	15	53
Substantive	20	12	35	67
Reporting	10	12	10	32
	56	52	70	178

Sample Size and the Extent to Which Statistical Sampling is to be Used

We perform sampling techniques and determine sample size after assessing the risk associated with specific transaction classes. No single “cookie-cutter” approach will be followed in regards to sampling techniques, but the District can be assured that an appropriate sampling methodology will be utilized. We use the following methods of sampling during our audits: statistical, haphazard, and judgmental. For statistical sampling we use guidance provided by the AICPA and by federal guidelines in accordance with industry standards, which typically recommends sample sizes between 40 to 60 items.

Type and Extent of Analytical Procedures to be Used

We will perform analytical procedures throughout the course of our audit. Professional standards require that analytical procedures be performed in the planning and wrap-up stages of the audit. Analytical review will be used during our expenditure, revenue, budget information as well as many other areas.

These procedures typically entail a review of interim reports, budgets, and comparisons to prior year data. We also use financial statement amounts to calculate certain ratios to determine whether any unusual or unexpected relationships exist in the financial data.

These procedures are then followed by inquiry of key District personnel to corroborate the auditors' expectations based on the data.

SPECIFIC AUDIT APPROACH (CONTINUED)

Approach to be Taken to Gain and Document an Understanding of Internal Control Structure(s)

Our audit approach will entail interviews with key personnel in the District involved in the design and implementation of internal controls. In conjunction with the interviews, we will perform tests and observations of how well the controls function. Key areas of internal control generally include: cash receipting, accounts payable/purchasing, payroll/personnel, technology, facilities, and maintenance and operations.

Approach to be Taken in Determining Laws and Regulations That Will be Subject to Audit Test Work

We are required to obtain an understanding of the possible financial statement effect of laws and regulations that have a direct and material effect on the determination of financial statement amounts. The determination of laws and regulations is addressed in the planning stage through reading available grant documentation, inquiry of the client, a preliminary review of finance system accounts and search of the Board minutes. We also have working knowledge of the types of laws and regulations under which California special districts operate. We also obtain further information about federal laws and regulations through the Catalog of Federal Domestic Assistance (CFDA) and the Uniform Guidance.

Approach to be Taken in Drawing Audit Samples

Since each program or grant agreement is different, we use many different approaches to sampling in our tests of compliance. The size of the sample considers many factors; size and risk of the program, program maturity, complexity, level of oversight and prior audit findings. AICPA Guidelines generally recommend sample sizes of 25, 40, or 60 items when the population is greater than 250. Ultimately, our professional judgment determines that a representative number of transactions have been selected. You can be confident in our judgment because our peer reviews and an outside review by the U.S. Department of Education have all accepted our audit sampling techniques and procedures.

Use of Technology/Remote Proficiency

In order to facilitate the exchange of data between us and our clients in a secured manner throughout the course of the audit, we employ the use of an online secured portal. Our clients have appreciated this unique and forward-thinking platform which helps minimize duplicate requests and unnecessary email and phone exchanges to request and receive audit documentation. The software is very user-friendly and easy to understand. This also allows us to perform much of the audit remotely without being onsite to reduce our carbon footprint.

AUDIT FEES

Professional	Hours	Rates		Total
		Standard	Quoted	
Partner	24.00	\$ 200.00	\$ 175.00	\$ 4,200.00
Manager	32.00	175.00	150.00	4,800.00
Senior	52.00	150.00	125.00	6,500.00
Staff Members	70.00	125.00	100.00	7,000.00
Admin	-	100.00	75.00	-
Subtotal	<u>178.00</u>			22,500.00
Out-of-Pocket - Included in Rates (We Are Local)				-
Total Max				<u>\$ 22,500.00</u>

Fiscal Year	FY 2023	FY 2024	FY 2025	Total
District Financials	\$ 22,000	\$ 22,000	\$ 22,000	\$ 66,000
State Controller's	\$ 500	\$ 500	\$ 500	\$ 1,500
Total	<u>\$ 22,500</u>	<u>\$ 22,500</u>	<u>\$ 22,500</u>	<u>\$ 67,500</u>

Same Price for FY 2026 and FY 2027

Federal Single-Audit \$5,000 per major program if not clustered

ADDITIONAL INFORMATION

Fraud Hotline



Throughout the audit process, we will make available our fraud hotline reporting service at no additional charge over the period of the contract to ensure the District has an effective anti-fraud program.

ADDITIONAL DOCUMENTS

EXHIBIT A



Report on the Firm's System of Quality Control

To Nigro & Nigro, PC
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 Nigro & Nigro, PC (the firm) in effect for the year ended August 31, 2020. 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. 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 compliance audits 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.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Nigro & Nigro, PC in effect for the year ended August 31, 2020, 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*. Nigro & Nigro, PC has received a peer review rating of *pass*.

Spafford & Landry, Inc.

June 11, 2021



E A D I E P A Y N E

Proposal for Professional Audit Services

Greater Los Angeles County Vector Control District

APRIL 5, 2023

PREPARED BY

EadiePayne

3880 Lemon St., Suite 300
Riverside, CA 92501

CONTACT PERSON

Brandon Ferrell

Office: 951.241.7814

Mobile: 909.767.3011

bferrell@eadiepaynellp.com

expect quality


WWW.EADIEPAYNELLP.COM


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EXHIBIT A



 3880 Lemon St., Ste. 300
Riverside, CA 92501

 P.O. Box 1529
Riverside, CA 92502-1529

 951-241-7800

 www.eadiepaynellp.com

April 5, 2023

Susanne Klueh, General Manager
Greater Los Angeles County Vector Control District
12545 Florence Avenue
Santa Fe Springs, CA 90670
sklueh@glamosquito.org

Dear Ms. Klueh,

On behalf of Eadie and Payne, LLP (EadiePayne), we are pleased to provide you with our proposal to perform audit services for Greater Los Angeles County Vector Control District (the District) for the fiscal year ending June 30, 2023, and two subsequent fiscal years in accordance with auditing standards generally accepted in the United States of America, the standards set forth for financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Requirements and Reporting Guidelines for California Special Districts.

EadiePayne is a leading public accounting and business advisory firm serving clients in the Inland Empire for over a century. EadiePayne has completed over 60 financial statement audits of government agencies over the past five years. We have attached several of the team members' resumes highlighting their experience, for your review.

Why Choose EadiePayne?

Not a One size Fits all Approach: EadiePayne 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. EadiePayne 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. Additionally, we have been providing accounting and auditing services for water entities for over 50 years.

Technology: EadiePayne 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 large, light gray watermark that says 'EXHIBIT A'.

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

FIRM QUALIFICATIONS AND 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 approximately 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, 68, 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.

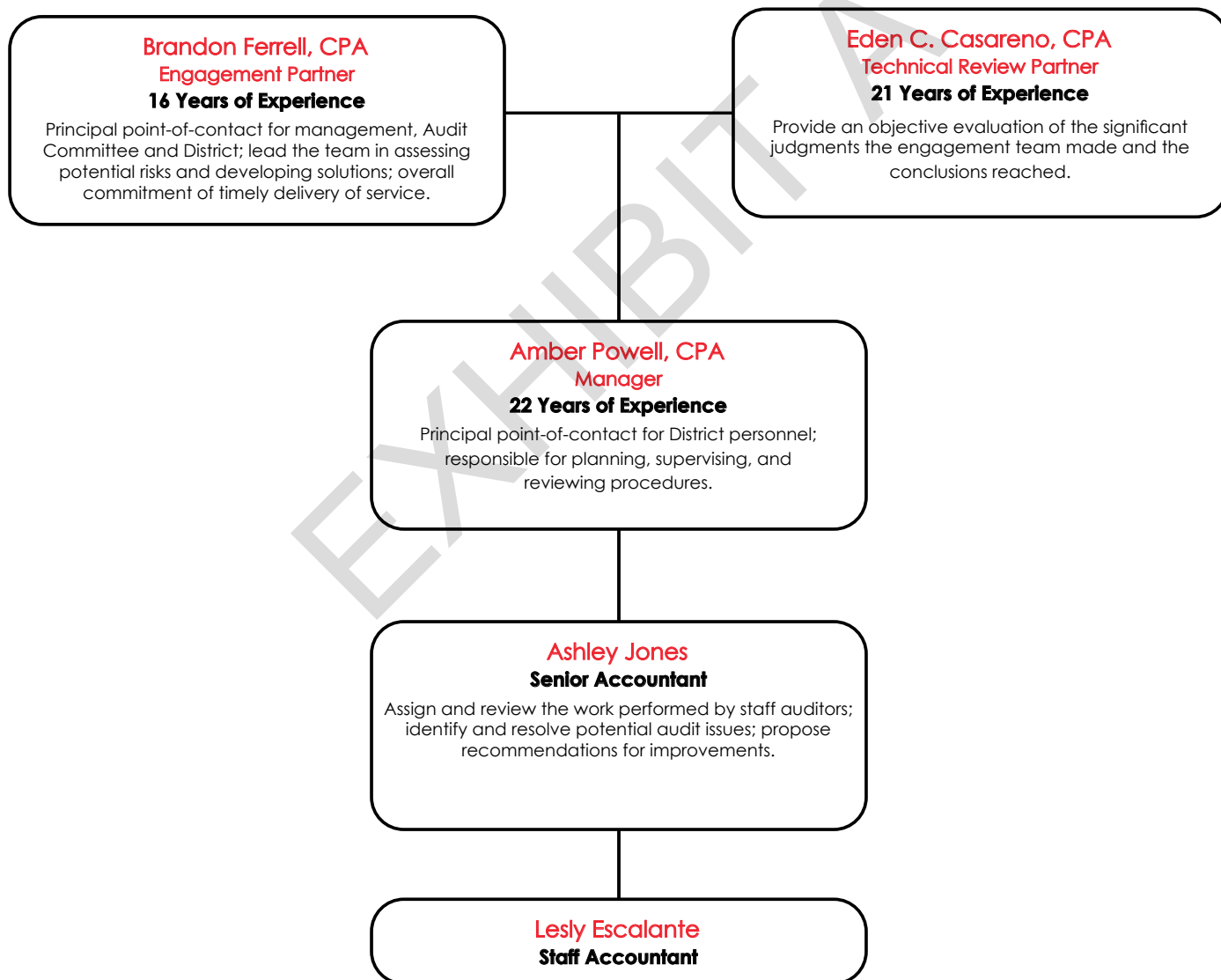
Your audit team will be composed of an engagement partner, technical review partner, audit manager, an audit senior, and audit staff. All key staff are properly licensed to practice in California.

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.

ON SITE SUPERVISORY AND STAFF QUALIFICATIONS & EXPERIENCE

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. EadiePayne acknowledges that staff turnover is an issue in our current economy, therefore, EadiePayne has contracted top level recruiters to ensure we do not have a lapse in expertise.

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.





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 Geronio Pass Water Agency
- 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
 - 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

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:

- Big Bear Valley Recreation and Park District
- Bloomington Recreation and Park District
- Big Bear Municipal Water District
- 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
- 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 Law Library
- Riverside County Transportation Commission
- San Bernardino County Service Areas
- San Bernardino County Special Districts
- San Geronimo 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

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

EXHIBIT A



ASHLEY JONES

Senior Accountant

Office: 951.241.7815 | Mobile: 909.809.7064 | 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 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



LESLY ESCALANTE

Staff Accountant

Office: 951.241.7832 | Mobile: 909.557.8385 | 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

SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES

EadiePayne has successfully completed many projects that are similar to the services requested by the District. 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>San Geronio Pass Water Agency 2017 - 2021 Thomas Todd, Chief Financial Officer (951) 845-2577 ttodd@sgpwa.com 1210 Beaumont Avenue, Beaumont, CA 92223</p>	<p>Financial audit, preparation of financial statements, assistance with hiring asset management company, and assistance with GASB 68 & 75.</p>
<p>Twentynine Palms Water District 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>Wrightwood Community Services District 2018 - Present Tamara Keen, General Manager (760) 249-3205 gm@wrightwoodcsd.com 1275 Hwy 2, Wrightwood, CA 92397</p>	<p>Financial audit, preparation of financial statements, assistance with hiring asset management company, and assistance with GASB 68 & 75.</p>
<p>Inland Valley Development Agency 2013 - 2021 Mike Burrows, Executive Director (909) 382-4100 mburrows@sbdairport.com 1601 E. Third Street, Suite 100, San Bernardino, CA 92408</p>	<p>Financial audit, including a Water Fund, single audits, preparation of GAAP financial statements, special procedures, SCO report filing, and cash reconciliation procedures.</p>
<p>City of Oxnard 2015 - Present Beth Vo, Assistant CFO (805) 385-7464 beth.vo@oxnard.org 300 W. Third Street, Oxnard, CA 93030</p>	<p>Financial audits; single audits; Comprehensive Annual Report preparation (GFOA award recipient); assistance with GASB 68 & 75; assistance with corrective action plan; agreed-upon procedures for checks/warrants, EFTs and ACHs; agreed-upon procedures for Measure O; filing of SCO streets and financial transactions report; and Gann Appropriations Limit report</p>

EadiePayne's governmental audit practice accounts for approximately 65% of our total audit practice annually.

TOTAL ALL INCLUSIVE MAXIMUM PRICE

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

	Fee for Fiscal Year	Fee for optional additional Fiscal Year	
	2023	2024	2025
1. Financial Audit of the District	\$ 28,510	\$ 29,080	\$ 29,660
2. State Controller Office Report and Submission	1,440	1,470	1,500
3. Travel Expenses	-	-	-
SUB-TOTAL REQUIRED ITEMS	\$ 29,950	\$ 30,550	\$ 31,160

EadiePayne has time for questions on technical matters throughout the year built in its cost proposal above. However, if these matters require a material amount of resources there may be additional fees that will be discussed with and agreed to by the District prior to any such work being completed. EadiePayne will discuss these fees with the District prior to performing any such work. The firm’s hourly rates by level of staff are as follows:

Auditors Standard Hourly Billing Rates		Optional Years	
POSITION	2023	2024	2025
Partner	\$ 260	\$ 267	\$ 274
Manager	\$ 185	\$ 190	\$ 195
Supervisor	\$ 150	\$ 154	\$ 158
Senior Accountant	\$ 130	\$ 133	\$ 136
Staff Accountant	\$ 115	\$ 118	\$ 121
Clerical Staff	\$ 85	\$ 87	\$ 89

SPECIFIC AUDIT APPROACH

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 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

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 Trustees 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 Trustees.

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.

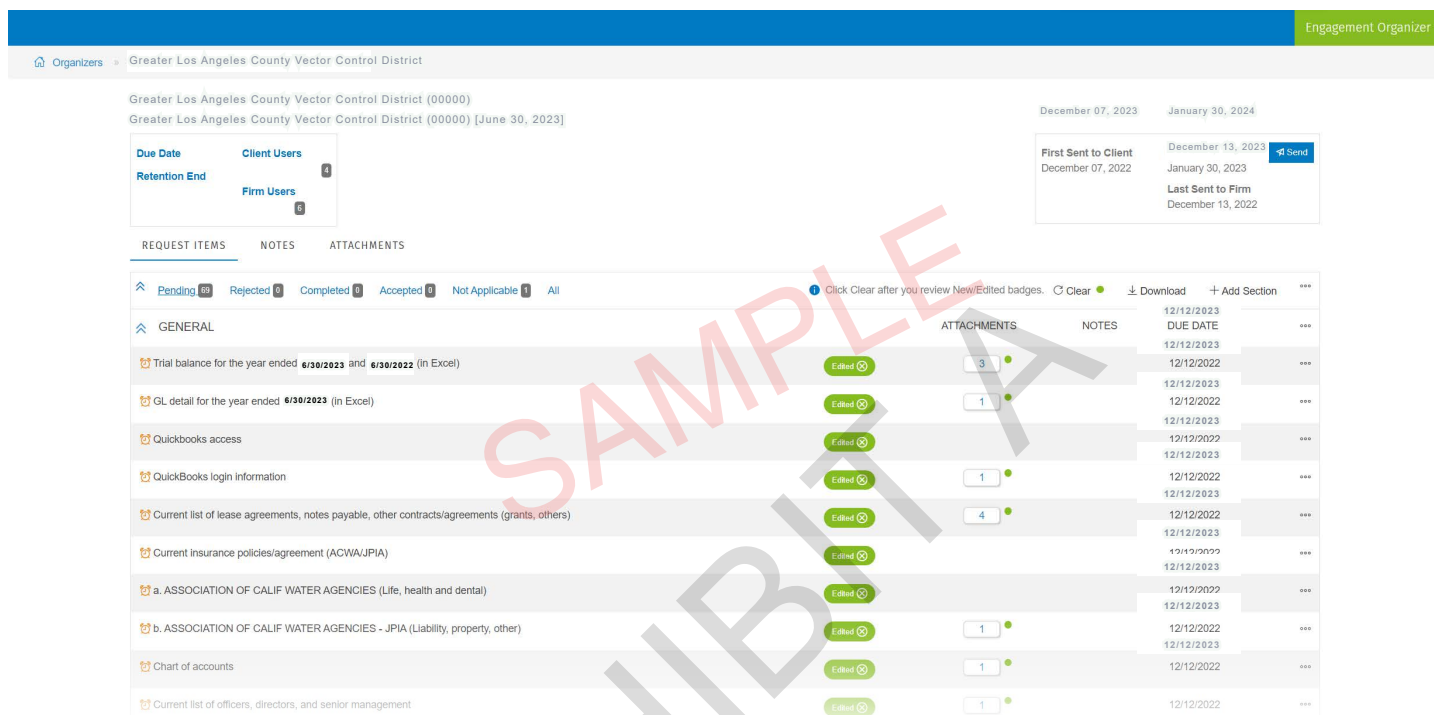
Determining Laws and Regulations that will be Subject to Audit Test Work

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.

SPECIFIC AUDIT APPROACH

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 the 'Greater Los Angeles County Vector Control District'. It shows a list of request items with columns for 'ATTACHMENTS', 'NOTES', and 'DUE DATE'. The items include:

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

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.

SPECIFIC AUDIT APPROACH

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 audit for fiscal year ending June 30, 2023:

- ✓ 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 Trustees.

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

SPECIFIC AUDIT APPROACH

SCO Report

EadiePayne 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, 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.

Proposed Segmentation for the Engagement

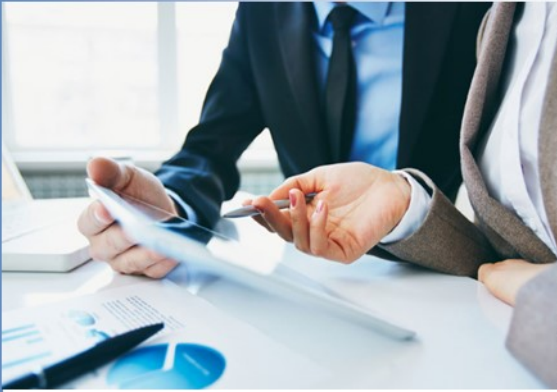
We value our practice of co-developing the audit timing with our clients before the commencement of the audit. Below you can see an example of our target dates for each milestone.

Entrance Conference	June 2023
Interim Work	July 2023
Progress Conference	July 2023
Detailed Audit Plan	September 2023
Fieldwork	October 2023
Exit Conference	October 2023
Draft - Basic Statements	November 10, 2023
MD&A to EP	November 17, 2023
Report Revisions	November 24, 2023
Final Draft Reports	November 29, 2023
Issuance of Final Reports	December 7, 2023
Board Presentation	December 14, 2023

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				SCO Report	TOTAL PROJECT HOURS
	Planning	Interim Field Work	Final Field Work	Reporting		
Partner/Technical Reviewer	8	4	8	8	2	30
Manager	8	6	12	8		34
Supervisor	0	0	0	0	0	0
Senior	9	8	26	10	0	53
Staff	0	12	54	4	8	78
Clerical	0	0	0	0	0	0
TOTALS	25	30	100	30	10	195

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



**Certified
Public
Accountants**



**Consultants
& Advisors**



Greater Los Angeles County Vector Control District

Proposal to Provide Professional Auditing Services

**For the Years Ending
June 30, 2023 through 2025
and Optional Years
June 30, 2026 through 2028**

**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



**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

April 3, 2023

Greater Los Angeles County Vector Control District
RE: Professional Auditing Services
12545 Florence Avenue
Santa Fe Springs, CA 90670
ATTN: Ms. Carolyn M. Weeks, Director of Fiscal Operations

Re: Request for Proposal for Professional Auditing Services

Dear Ms. Weeks:

We appreciate the opportunity to submit our proposal to provide annual professional auditing services for the Greater Los Angeles County Vector Control District (District) for the fiscal years ending June 30, 2023, through 2025, and additional one-year fiscal years (optional fiscal years) ending June 30, 2026, 2027, and 2028.

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. Carolyn M. Weeks, Director of Fiscal Operations
Greater Los Angeles County Vector Control District
April 3, 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 5051 Canyon Crest Drive
 Suite 150 Suite 203
 Cypress, CA 90630 Riverside, CA 92507

Website (in the process of being updated to C.J. Brown & Company, CPAs):
www.fedakbrownllp.com

Phone Number: (657) 214-2307

Email: 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.

We look forward to hearing from you soon.

Cordially,

C.J. Brown & Company, CPAs

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

Statement of Understanding

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 Annual Financial Report;**
- 2. Preparation of Management Reports for the District;**
- 3. Preparation of the State Controller's 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 Trustees; 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.

Schedule of Deliverables

March - April	Engagement Planning
May - July	Interim Field Work (Test of Controls, Risk Assessment)
August – October	Year-End/Final Fieldwork
By November 10 th	Provide Draft Financial Statements.
By November 24 th	Provide Draft Management Report.
By November 29 th	Provide Revised Draft Financial Statements and Management Report.
By December 7 th	Provide Final Reports and Present to the Board of Trustees
By January 31st	Prepare and file the Annual Financial Transactions Report to the State Controller's Office

Firm Provided Affirmations

- 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: April 3, 2023

Firm Qualifications and Experience

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 Trustees 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 Trustees 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 is currently working with the Peer Review personnel to establish our peer review program and expects to undergo the initial 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 and Experience, 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. 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

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 and Experience, continued

The following is a listing of some of our Governmental Special District Clients that our Audit Teams have served by County!

Kern County

*Bear Valley Community Services District
Indian Wells Valley Water District
Stallion Springs Community Services District*

Los Angeles County

*Crescenta Valley Water District
Greater Los Angeles County Vector Control District
Long Beach Airport
Long Beach Water Department
Los Angeles County West Vector Control District
Palmdale Water District
Palos Verdes Library District
San Gabriel Valley Municipal Water District
Sanitation Districts of LA County
Santa Clarita Valley Water Agency
Southern California Library Cooperative
Valley County Water District*

Orange County

*Buena Park Library District
Capistrano Bay Community Services District
East Orange County Water District
El Toro Water District
Irvine Ranch Water District
Mesa Consolidated Water District
Nature Reserve of Orange County
Rossmoor/Los Alamitos Area Sewer District
Santiago County Water District
Southern California Coastal Water Resource Authority
Yorba Linda Water District*

Riverside County

*Baumont-Cherry Valley Water District
Cabazon Water District
Coachella Valley Mosquito and Vector Control
Desert Recreation District
Edgemont Community Services District
Idyllwild Fire Protection District
Lake Hemet Municipal Water District
Northwest Mosquito and Vector Control District
Santa Ana Watershed Project Authority
Temecula Public Cemetery District
Western Municipal Water District*

Santa Barbara County

*Goleta Water District
Montecito Water District
Santa Maria Public Airport Authority
SantaYnez Community Services District
Summerland Sanitary District*

San Bernardino County

*Baldy Mesa Water District
Big Bear City Community Services District
Big River Community Services District
Chino Basin Water Conservation District
Chino Basin Watermaster
Helendale Community Services District
Hi-Desert Water District
Inland Empire Utilities Agency
Joshua Basin Water District
Mojave Water Agency
Monte Vista Water District
Phelan Pinon Hills Community Services District
San Bernardino Valley Water Conservation District
Victor Valley Wastewater Reclamation Authority
Victor Valley Water District
Victorville Water District
Water Facilities Authority - JPA
West Valley Mosquito and Vector Control District
West Valley Water District*

San Diego County

*Leucadia Wastewater District
Public Agency Self-Insurance System
Rincon Del Diablo Water District
Vallecitos Water District*

Ventura County

*Oxnard Harbor District
Pleasant Valley Recreation and Park District
Saticoy Sanitary District
Triunfo Sanitation District
Ventura County Resource Conservation District
Ventura Regional Sanitation District*

Northern California/ Bay Area

*Aromas Water District
Butte County Mosquito and Vector Control District
Central Water District
Coastside County Water District
Fresno Irrigation District
North Marin Water District
McKinleyville Community Services District
Oakdale Irrigation District
Purissima Hills Water District
San Lorenzo Valley Water District
Shasta Mosquito and Vector Control District
Solano Irrigation District
Soquel Creek Water District
Westborough Water District*

On Site Supervisory and Staff Qualifications and Experience

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 field audit partner/manager 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 Audit Committee and the Board of Trustees 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.

On Site Supervisory and Staff Qualifications and Experience, continued

CHRISTOPHER J. BROWN, CPA, CGMA TECHNICAL REVIEW 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">➤ North Marin Water District➤ Shasta Mosquito and Vector Control District➤ Los Angeles County West Vector Control District➤ Solano Irrigation District➤ Oakdale Irrigation District➤ Tri-Dam Project & Tri-Dam Authority➤ Hi-Desert Water District➤ Indian Wells Valley Water District➤ Joshua Basin Water District➤ Santa Maria Public Airport District➤ Phelan Pinon Hills Community Services District➤ Helendale Community Services District➤ Bear Valley Community Services District

On Site Supervisory and Staff Qualifications and Experience, continued

**JONATHAN P. ABADESCO, CPA
ENGAGEMENT 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 & 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">➤ Monte Vista Water District➤ Joshua Basin Water District➤ Oakdale Irrigation District➤ Santa Clarita Valley Water Agency➤ Lake Hemet Municipal Water District➤ San Lorenzo Valley Water District➤ Coachella Valley Mosquito and Vector Control District➤ Northwest Mosquito and Vector Control District➤ Butte County Mosquito and Vector Control District➤ Vista Fire Protection District➤ Los Angeles Gateway Region Integrated Regional Water Management Joint Powers Authority

On Site Supervisory and Staff Qualifications and Experience, continued

**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">➤ North Marin Water District➤ Walnut Valley Water District➤ La Puente Valley County Water District➤ Monte Vista Water District➤ Crescenta Valley Water District➤ Orange County Water District➤ Indian Wells Valley Water District➤ Westborough Water District➤ Coastside County Water District➤ Mojave Water Agency➤ Bighorn Desert View Water Agency➤ Santa Maria Public Airport District➤ Phelan Pinon Hills Community Services District➤ Helendale Community Services District➤ Bear Valley Community Services District

Similar Engagements with Other Governmental Entities

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.

<p>1. Mr. David I'Anson, Finance Manager Coachella Valley Mosquito and Vector Control District 43420 Trader Place Indio, CA 92201</p>	<p>Vector Control District Annual Audit – Annual Comprehensive Financial Report 760.342.8287</p>
<p>2. Mr. Mark Breidenbaugh, Ph.D., District Manager Northwest Mosquito and Vector Control District 1966 Compton Avenue Corona, CA 92881</p>	<p>Vector Control District Annual Audit – Financial Statement 951.340.9792</p>
<p>3. Mr. Aaron Arugay, Executive Director Los Angeles County West Vector Control District 6750 Centinela Avenue Culver City, CA 90230</p>	<p>Vector Control District Annual Audit – Financial Statement 310.915.7370 x 230</p>
<p>4. Ms. Darcy Buckalew, Administrative Manager Shasta Mosquito and Vector Control District 19200 Latona Road Anderson, CA 96007</p>	<p>Vector Control District Annual Audit – Financial Statement 530.365.3768</p>
<p>5. Mr. Matthew Ball, General Manager Butte County Mosquito and Vector Control District 5117 Larkin Road Oroville, CA 95965</p>	<p>Vector Control District Annual Audit – Financial Statement 530.533.6038</p>

Proposed Approach and Work Plan

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 Trustees 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

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, and relative ratios.
- Analysis of property tax receivable and assessments
- Analysis of allocations of interest income.
- Analysis of inventories.
- Analysis of deposits
- 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 fund balances (reserves and designations).
- Analysis of significant grant agreements, awards and contracts (if applicable).
- 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

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 Trustees

In addition to our written reports, we believe an oral presentation to the District management, Audit Committee, and the Board of Trustees, 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.

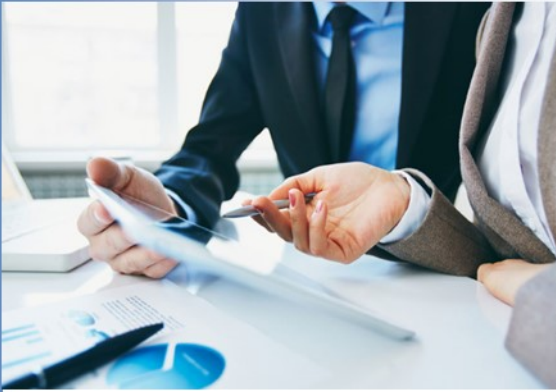
Other Assistance

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**



Greater Los Angeles County Vector Control District

Cost Proposal to Provide Professional Auditing Services

**For the Years Ending
June 30, 2023 through 2025
and Optional Years
June 30, 2026 through 2028**

**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



**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

April 3, 2023

Greater Los Angeles County Vector Control District
RE: Professional Auditing Services
12545 Florence Avenue
Santa Fe Springs, CA 90670
ATTN: Ms. Carolyn M. Weeks, Director of Fiscal Operations

Re: Request for Proposal for Professional Auditing Services

Dear Ms. Weeks:

Based on our understanding of the Greater Los Angeles County Vector Control 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 **\$30,390**. 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 three additional one-year fiscal years (optional fiscal years) ending June 30, 2026, 2027, and 2028 will be **\$30,390**, **\$30,390**, **\$31,188**, **\$31,952**, and **\$33,823**, 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 through 2028, 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 and am duly authorized to sign a contract with the District.

Christopher J. Brown, CPA CGMA

April 3, 2023

Date

Exhibit I – Proposed Hours and Our Fees

Proposed Hours and Our Fees

We anticipate that, for the fiscal years ending June 30, 2023 through 2025, and optional fiscal years 2026 through 2028, the audit of the District will approximate 240 hours by major area, are summarized as follows:

Break out of Audit Hours				
Audit Steps	Partners	Mgr/Sup	Staff	Total
Planning	5	15	15	35
Controls Testwork	5	20	35	60
Substantive Testwork	10	25	50	85
Reporting	20	20	20	60
	<u>40</u>	<u>80</u>	<u>120</u>	<u>240</u>

As shown above, we expect approximately 50% of engagement hours to come from Partners, Managers, and Supervisors assigned to the engagement in fiscal year 2023 through 2025, and optional fiscal years 2026 through 2028, 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 fiscal years ending June 30, 2023 through 2025, and optional fiscal years 2026 through 2028, 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 All-Inclusive Maximum Price</u>
	<u>Audit Service Fees</u>	<u>Out-of-Pocket Expenses</u>	<u>Total Audit Maximum</u>	<u>Financial Transactions Report</u>	
Fiscal Year 2023	\$ 28,800	750	29,550	840	30,390
Fiscal Year 2024	\$ 28,800	750	29,550	840	30,390
Fiscal Year 2025	\$ 28,800	750	29,550	840	30,390
Total Fees by Fiscal Year	<u>86,400</u>	<u>2,250</u>	<u>88,650</u>	<u>2,520</u>	<u>91,170</u>
<u>Optional Fiscal Years</u>					
Fiscal Year 2026	\$ <u>29,560</u>	<u>770</u>	<u>30,330</u>	<u>858</u>	<u>31,188</u>
Fiscal Year 2027	\$ <u>30,280</u>	<u>790</u>	<u>31,070</u>	<u>882</u>	<u>31,952</u>
Fiscal Year 2028	\$ <u>31,040</u>	<u>810</u>	<u>31,850</u>	<u>900</u>	<u>32,750</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

Greater Los Angeles County Vector Control District Fiscal Year 2023

Breakdown of Fees by Hours

	Hours	Hourly Rates	Total
Fiscal Year 2023 Audit of:			
District's Basic Financial Statements			
Partner - Engagement & Technical	40	\$ 170	\$ 6,800
Manager/Supervisor	80	140	11,200
Staff	120	90	10,800
Total Financial Statement Audit for 2023	240		28,800
Out-of-Pocket Expenses (Travel, Mileage, Printing, etc.)			750
Total Maximum for 2023			\$ 29,550
Other Items Asked to be Priced by the District:			
Preparation of the Annual Financial Transactions Report	6	140	840
Total All-Inclusive Maximum fee for 2023			\$ 30,390

Greater Los Angeles County Vector Control District Fiscal Year 2024

Breakdown of Fees by Hours

	Hours	Hourly Rates	Total
Fiscal Year 2024 Audit of:			
District's Basic Financial Statements			
Partner - Engagement & Technical	40	\$ 170	\$ 6,800
Manager/Supervisor	80	140	11,200
Staff	120	90	10,800
Total Financial Statement Audit for 2024	240		28,800
Out-of-Pocket Expenses (Travel, Mileage, Printing, etc.)			750
Total Maximum for 2024			\$ 29,550
Other Items Asked to be Priced by the District:			
Preparation of the Annual Financial Transactions Report	6	140	840
Total All-Inclusive Maximum fee for 2024			\$ 30,390

Exhibit III – Schedule of Fees By Hours

Greater Los Angeles County Vector Control District Fiscal Year 2025

Breakdown of Fees by Hours

Fiscal Year 2025 Audit of:	<u>Hours</u>	<u>Hourly Rates</u>	<u>Total</u>
District's Basic Financial Statements			
Partner - Engagement & Technical	40	\$ 170	\$ 6,800
Manager/Supervisor	80	140	11,200
Staff	120	90	10,800
Total Financial Statement Audit for 2025	<u>240</u>		<u>28,800</u>
Out-of-Pocket Expenses (Travel, Mileage, Printing, etc.)			750
Total Maximum for 2025			\$ 29,550
Other Items Asked to be Priced by the District:			
Preparation of the Annual Financial Transactions Report	6	140	840
Total All-Inclusive Maximum fee for 2025			<u>\$ 30,390</u>

Greater Los Angeles County Vector Control District OPTIONAL YEAR - Fiscal Year 2026

Breakdown of Fees by Hours

Fiscal Year 2026 Audit of:	<u>Hours</u>	<u>Hourly Rates</u>	<u>Total</u>
District's Basic Financial Statements			
Partner - Engagement & Technical	40	\$ 174	\$ 6,960
Manager/Supervisor	80	143	11,440
Staff	120	93	11,160
Total Financial Statement Audit for 2026	<u>240</u>		<u>29,560</u>
Out-of-Pocket Expenses (Travel, Mileage, Printing, etc.)			770
Total Maximum for 2026			\$ 30,330
Other Items Asked to be Priced by the District:			
Preparation of the Annual Financial Transactions Report	6	143	858
Total All-Inclusive Maximum fee for 2026			<u>\$ 31,188</u>

Exhibit III – Schedule of Fees By Hours

Greater Los Angeles County Vector Control District OPTIONAL YEAR - Fiscal Year 2027

Breakdown of Fees by Hours

Fiscal Year 2027 Audit of:	<u>Hours</u>	<u>Hourly Rates</u>	<u>Total</u>
District's Basic Financial Statements			
Partner - Engagement & Technical	40	\$ 178	\$ 7,120
Manager/Supervisor	80	147	11,760
Staff	120	95	11,400
Total Financial Statement Audit for 2027	<u>240</u>		<u>30,280</u>
Out-of-Pocket Expenses (Travel, Mileage, Printing, etc.)			790
Total Maximum for 2027			\$ 31,070
Other Items Asked to be Priced by the District:			
Preparation of the Annual Financial Transactions Report	6	147	882
Total All-Inclusive Maximum fee for 2027			<u>\$ 31,952</u>

Greater Los Angeles County Vector Control District OPTIONAL YEAR - Fiscal Year 2028

Breakdown of Fees by Hours

Fiscal Year 2028 Audit of:	<u>Hours</u>	<u>Hourly Rates</u>	<u>Total</u>
District's Basic Financial Statements			
Partner - Engagement & Technical	40	\$ 182	\$ 7,280
Manager/Supervisor	80	150	12,000
Staff	120	98	11,760
Total Financial Statement Audit for 2028	<u>240</u>		<u>31,040</u>
Out-of-Pocket Expenses (Travel, Mileage, Printing, etc.)			810
Total Maximum for 2028			\$ 31,850
Other Items Asked to be Priced by the District:			
Preparation of the Annual Financial Transactions Report	6	150	900
Total All-Inclusive Maximum fee for 2028			<u>\$ 32,750</u>

Greater Los Angeles County Vector Control District

PROPOSAL FOR PROFESSIONAL SERVICES
FOR THE YEARS ENDING JUNE 30, 2023 – 2025

APRIL 4, 2023

EXHIBIT A



April 4, 2023

Greater Los Angeles County Vector Control District
Attn: Carolyn M. Weeks
Director of Fiscal Operations
12545 Florence Avenue
Santa Fe Springs, CA 90670

Dear Ms. Weeks,

Aldrich CPAs + Advisors LLP is pleased to submit a proposal to provide professional services to the Greater Los Angeles County Vector Control District (the District). These services will include the audit of the financial statements of the District, and all required supplemental schedules as outlined in the RFP. This work will be completed in a timely manner and in the established time periods.

This proposal will provide you with information about our firm, our experience serving governmental organizations and our continuing commitment to you.

Aldrich is uniquely qualified to meet your needs because we have assembled a service team that is knowledgeable about the types of unique financial reporting and operational risks faced by the District. We understand your organization. The team assigned to your engagement all have experience providing audit services to cities, counties, urban renewal agencies, school districts, and housing authorities. Because of this experience, we know it translates to seamless and value-added services delivered by professionals who understand your challenges and opportunities.

Superior client service is our #1 goal. At Aldrich we have designed our service approach to exceed your expectations. We continually strive to provide the highest level of specialized service in the market. We perform high quality, efficient audits. We will listen and respond to your needs on a timely basis and provide meaningful internal control and government-oriented recommendations.

Our greatest product is our high-quality service

- ▶ Our team is dedicated to being responsive to our clients and delivering on our commitments in a timely manner.
- ▶ Our service approach is one of significant partner and manager level attention.
- ▶ We endeavor to exceed your expectations.

Licensing and Independence. Aldrich and the team leaders are properly licensed to perform audits of municipal corporations in the State of California. In addition, we are independent of the District in both fact and appearance.

Offer. This proposal is a firm and irrevocable offer through the June 30, 2023, audit period. The representatives signing and submitting this proposal are entitled to represent the audit firm, empowered to submit the bid, and authorized to sign a contract on behalf of the audit firm. Aldrich agrees to perform all the work outlined in the District's RFP within the time periods established by the District.

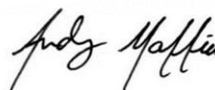
We want to be your trusted advisors. We will consider it a privilege to be chosen to work with you. We are excited to address your needs and are confident we can build a long-lasting relationship. Should you have any questions, please feel free to contact us at (619) 810-4959.

Very truly yours,



Bobby LaCour, CPA
Partner

rlacour@aldrichadvisors.com



Andy Maffia, CPA

Partner, Nonprofit and Government Services Leader

amaffia@aldrichadvisors.com



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EXHIBIT A



Firm Qualifications and Experience

1) The proposal should state the size of the firm, the size of the firm's audit staff, and the location of the office from which the work on this engagement is to be performed.

Aldrich CPAs + Advisors LLP is a west coast regional firm of advisors, independent Certified Public Accountants, and business consultants. We offer a broad range of financial services, from traditional accounting, auditing, and tax compliance to business valuation, management consulting, financial due diligence, international tax planning, state and local tax consulting, employee benefits, and retirement plan services. We also work closely with business owners and individuals to manage financial, wealth, and tax planning strategies. The Aldrich team consists of over 400 team members, including almost 100 audit team members. Our office located in Brea, CA will be performing the work for the District.

The Aldrich Group of Companies consists of:



Aldrich CPAs + Advisors LLP

Audit, tax compliance and consulting, accounting assistance, and business consulting. These services are provided to thousands of business and individual clients.



Aldrich Wealth LP

Complete investment advisory services for high-wealth individuals and pension plans. 401(k) Services include 3(38) Fiduciary Investment Management, Fiduciary Governance Consulting, Employee Advice and Education, and vendor management. Our Private Wealth Management includes wealth management, asset allocation, personal financial planning, and transition planning. Total assets under management by Wealth Advisors exceed \$4 billion.



Aldrich Benefits LP

Assist employers with employee benefit consulting, including medical, dental, group life, and disability insurance for their employees and executive benefits for high-level and key employees. Includes plan design, implementation, and annual review of benefits.



Aldrich Technology LLC

Technology services which include evaluation, assessment, guidance, and implementation of software solutions, network security, managed IT services, and merger and acquisition support.



Aldrich Capital Advisors LP

Provides advisory services for business transactions, including business succession planning, acquisition, sales, or mergers.

We believe Aldrich can make a substantial contribution to the fiscal management of the District. As you focus on the important issues of rising costs, expanding services, community partnerships and successfully achieving your mission, our professionals will help you assess and ensure the quality and reliability of the financial information used by your District Board, management, citizens, vendors, creditors, and community partners.



We are committed to quality and excellence. Our mission is *“helping our clients achieve their goals.”* Our partners and senior managers are actively involved in the audit process to assure quick recognition and resolution of issues. We are committed to maintaining the highest standards of quality and professionalism. Our firm attracts the top auditing talent. The audit software we use is advanced and current. We do what is right, always following the highest level of integrity and ethical standards, developed over the last 50 years of government and related accounting experience.

The Aldrich CPAs + Advisors LLP Government and Nonprofit Niche includes 12 team members that specialize in helping our clients. Your team will be formed to match your needs with our expertise, from assurance, to tax, to compliance, to consulting work. By focusing our training and client base to the government and nonprofit industry, we have positioned ourselves to serve our clients at the highest level. Our goal is to be trusted advisors to your entire organization. The abilities, strengths, and personal characteristics of our people are the foundation for our excellence in client service.

Aldrich has built its engagement approach to be much more robust than just providing an opinion. We see each client relationship as a partnership where we can share our knowledge and expertise. Often that extends well beyond just audit and tax. Aldrich is a full-service professional firm and has provided value to our clients by:

- ▶ Providing oversight and governance presentations to our clients’ board of directors
- ▶ Providing proactive trainings to our clients for new standards or regulatory changes
- ▶ Assisting with a variety of projects to include budgeting, strategic planning, and transition plans

QUALITY

As we become aware of new issues that may impact your industry, we will communicate the relevant information to you in a timely manner. Having the ability to meet with you and your team in-person on a regular basis allows us to help you evaluate your business and provide guidance on other business planning questions that may come up. Our methodology is the result of keeping our pulse on what is happening in our communities. Keeping our clients up-to-date and sharing relevant information is part of our philosophy that encompasses ongoing and pertinent communication with our clients.

As members of the American Institute of Certified Public Accountants (AICPA) and the California Society of Certified Public Accountants (CalCPA), our team frequently utilizes the resources available to monitor developments pertinent to municipal audits. Because of our commitment and our ability to track these continual changes, and their specific application to your District, we believe we are the right accounting firm for you. The Greater Los Angeles County Vector Control District will receive the complete attention of our client service team dedicated to serving organizations with similar requirements.



As a member of CPAmerica International, the 6th largest CPA network in the United States of America, we have an exclusive association with more than 80 leading independent accounting firms across the country and more than 310 offices around the world. Our association allows us to maintain a strong allegiance to our local community, while providing clients with national and international service.



MUNICIPAL AUDIT EXPERIENCE

Aldrich has a niche dedicated to governmental and nonprofit organizations. We currently serve hundreds of governmental and nonprofit organizations each year. We proactively obtain updates and adopt new accounting standards related to the Government Accounting Standards Board (GASB), and our methodology is the result of continuous research and improvement based on our experiences with clients.

Every industry has special characteristics, but the government sector is truly unique. The current operating environment requires enhanced fiscal transparency, a higher level of information, and assurance that the financial systems are serving to accomplish the organization's mission. At the same time, financial reporting requirements are growing more stringent. We are proud to have talented, experienced professionals who are knowledgeable about the unique financial reporting and operational risks faced by your organization. We have a responsive, hands-on approach. We know the issues you face because we are committed to serving municipal governments.

Aldrich has a long-standing history of auditing local governments with many partners and staff dedicated to serving this niche. Annually, Aldrich performs more than 20 single audits spanning a vast number of programs and federal agencies. We work closely with state agencies to help our clients obtain guidance on preparing a complete and accurate schedule of expenditures of federal awards and to clarify compliance requirements.

Our team has experience with software programs unique to local governments including Tyler Technologies, ERP, Caselle, Springbrook, Eden, and QuickBooks, to name a few.

EXHIBIT A

On Site Supervisory and Staff Qualifications & Experience

2) The firm should identify the number and responsibility levels of staff assigned to the engagement by name and role and indicate whether each such person is licensed to practice as a certified public accountant in California. The firm should also provide information on the auditing experience of each person, and more specifically, the governmental auditing reporting experiences of each person.

Your team of professionals is made up of individuals that are committed to helping you achieve your goals. Below is more about each of them and how they can assist you.

There has been no disciplinary action taken against Aldrich or any of its CPAs, and there is no pending or settled litigation, during the past 3 years with state regulatory bodies or professional organizations.



Bobby LaCour, CPA
Partner
CA CPA License - #114712

Bobby joined Aldrich CPAs + Advisors LLP in 2005 and has 18 years' experience in public accounting. As partner, he specializes in providing financial services to not-for-profit, manufacturing, and other private entities. He also has extensive experience with internal control and operations analysis. Bobby is a member of the Board of Directors of Serving Seniors. Bobby graduated from the University of San Diego with an undergraduate degree in accounting with an emphasis in supply chain management and a Masters of Accountancy.

Bobby will serve as the engagement partner overseeing all services provided to the District.



Andy Maffia, CPA
Partner
CA CPA License - #93015

Andy joined Aldrich in 2002 and specializes in audits of organizations subject to government auditing standards, including single audits under the Uniform Guidance, agreed-upon procedures, consulting work, and attest work for closely held companies. Over his time in public accounting, Andy has served hundreds of nonprofits at all levels as an associate through partner. Andy is currently board president and serves on the executive, compliance, and finance committees of a local large nonprofit organization. He is a member of the audit committee for the City of San Diego, an elected position with a term expiring in December 2024. He is also actively involved with many local organizations.

Andy will serve as the main point-of-contact for the audits. He will lead the audit team and perform the Single Audit, as applicable.



Jessica Luther-Haynes, CPA, CFE

Senior Manager
OR CPA License #12570

Jessica joined Aldrich in 2022 and specializes in audits of cities and counties. In her 15 years of public accounting experience, Jessica has performed almost 100 audits of local governments and has served as quality control reviewer on dozens more. She has worked with numerous local governments in Oregon including, but not limited to, the City of Albany, Albany Revitalization Agency, City of Newport and Newport Urban Renewal Agency, Hood River County, and City of Oregon City. Her single audit experience extends to the Coronavirus Relief Funds, Clean Water State Revolving Funds, Drinking Water State Revolving Funds, and other federal programs common to cities and counties. Jessica has extensive knowledge in implementing new GASB standards.

Jessica will serve as a consulting Senior Manager for implementation of new GASB standards.

STAFF CONTINUITY

The abilities, strengths, and personal characteristics of our people are the foundation for our excellence in client service. Our philosophy is to hire people that fit our culture and service philosophy and retain them. We believe that consistent and knowledgeable staffing provides better value to you based on familiarity with your organization and establishing a positive relationship with your staff. We strive to maintain continuity of staff in leadership positions on our engagements to ensure efficiency and provide clients with accessible, knowledgeable, and competent advisors. This results in the development of long-term relationships with professionals that are knowledgeable about you, your people, and your mission.

Aldrich recognizes that engagement team continuity is important to you and to the quality of service provided. Our client service approach enables us to provide consistent staffing from year-to-year, from fieldwork to partner review. Our long-range plans do not include any changes that would negatively affect our service team or our firm's commitment to serve you or any of our other government clients.

If, during our services, you request the rotation of the partner, manager, or senior associate on the engagement, we have the available resources to satisfy your request with minimal disruption to the audit process. The rotation of any of these positions will provide a fresh set of eyes and perspective on your operations, while still providing access to Aldrich's accumulated knowledge of your organization. We also emphasize objectivity and independence while maintaining the industry knowledge that is essential to understanding the uniqueness of the District. The members of our government and nonprofit audit and financial services team focus on government and nonprofit organizations, but also have experience working with other multi-faceted industries in the for-profit sector.



Similar Engagements with Other Government Entities

3) List the most significant engagements performed in the last three years that are similar to the engagement described in this request for proposal, including the annual percentage of the firm’s audit practice that is for governmental entities. Indicate the names and contact information of the principal client contacts.

We understand selecting the right professional services firm is an important decision and we believe Aldrich is best suited to meet your needs. Currently, we perform audit services for several municipal governments, which makes up approximately 5% of our audit practice. The references provided below are for municipal organizations that request similar services from Aldrich.

CITY OF INDEPENDENCE, OREGON	<p>Nikki Ditchen <i>Interim Finance Director</i> Independence, OR (503) 833-3282 nditchen@ci.independence.or.us</p>	<p>Services provided:</p> <ul style="list-style-type: none"> ▶ Annual audit of financial statements of the City ▶ Annual audit of financial statements for the Urban Renewal Agency
CITY OF MILWAUKIE, OREGON	<p>Michael Osborne <i>Assistant Finance Director</i> Milwaukie, OR (503) 786-7505 osbornem@milwaukieoregon.gov</p>	<p>Services provided:</p> <ul style="list-style-type: none"> ▶ Annual audit of financial statements
CITY OF NEWPORT, OREGON	<p>Steve Baugher <i>Finance Director</i> Newport, OR (541) 574-0615 s.baugher@newportoregon.gov</p>	<p>Services provided:</p> <ul style="list-style-type: none"> ▶ Annual audit of financial statements of the City ▶ Annual single audit ▶ Annual audit of the financial statements of the Urban Renewal Agency
CITY OF OREGON CITY, OREGON	<p>Matt Zook <i>Finance Director</i> Oregon City, OR (503) 657-0891 mzook@orcity.org</p>	<p>Services provided:</p> <ul style="list-style-type: none"> ▶ Annual audit of financial statements ▶ Annual single audit ▶ Annual audit of the financial statements of the Urban Renewal Agency
COUNTY OF HOOD RIVER, OREGON	<p>Sheri Patterson <i>Budget and Finance Director</i> Hood River, OR (541) 387-6824 Sheri.patterson@hoodrivercounty.gov</p>	<p>Services provided:</p> <ul style="list-style-type: none"> ▶ Annual audit of financial statements ▶ Annual single audit ▶ Annual audit of the financial statements of the Urban Renewal Agency ▶ Annual audit of the financial statements of the 911 Communications District



Scope of Audit and Timeline

Aldrich's audit approach is management oriented and goes beyond the numbers. Aldrich uses a risk-based audit approach specifically tailored to each client. Our audit procedures and techniques result from our ongoing commitment to developing more cost-effective auditing procedures.

We will begin our audit procedures by gaining an understanding of the operations of the District. Based on this understanding, we will identify the specific significant risks of the District and develop an audit approach that includes inquiry of client personnel, analytical procedures, and detail tests of transactions and account balances. Sampling will primarily be performed on revenue and expenditure transactions. The extent of sampling and the sample sizes will be based on the significance of the risks identified in our understanding of the entity and its environment. Once the appropriate sample size is determined, our data extraction software, IDEA, will be utilized to select the transactions for testing.

Throughout the course of our work, we will remain alert to opportunities to improve the District's operations. Our management recommendation letters contain meaningful recommendations for improving systems and controls. However, we recognize that every entity is unique, and will always adapt our audit approach and procedures to best fit your needs.

PHASE I: Planning and Risk Assessment

- Meet with management to review the audit plan and develop expectations for the audit process and timing
- Meet with those charged with governance to identify areas of concern
- Meet with prior auditors to review audit processes and scope of work
- Obtain an overall understanding of the Greater Los Angeles County Vector Control District and the control environment and internal controls
- Identify areas of concern or areas requiring additional attention
- Assess the risk of material misstatements at the financial statement level and related assertions, account balances, and disclosures
- Define audit objectives
- Develop audit work plan and timetable

PHASE II: Evaluate Internal Controls

- Obtain in-depth information about control procedures and their effectiveness
- Identify control strengths and weaknesses
- Perform key tests of controls as appropriate
- Develop audit procedures that enhance the linkage between the risk assessment and the tests performed

PHASE III: Final Audit Fieldwork

- Perform substantive testing
- Review and test significant or unusual transactions
- Review and test key estimates and other areas subject to judgments
- Review financial statements and disclosures, including appropriate application of accounting principles
- Review preliminary results of the audit with management



Scope of Audit and Timeline, continued

PHASE IV: Prepare Reports + Follow-up

- Work with management to review and finalize audit reports and letters
- Meet with the District Board, management, and staff
- Present auditors' report, letters, and financial statements
- Provide additional information as requested
- Share best practices and recommendations with management

FINANCIAL STATEMENT AUDIT

We view the financial statement audit as a collaborative and positive process, where both Aldrich and the District have the opportunity to learn from each other. Our approach to the financial statement audit is to tailor procedures specifically to the District, which is a result of our understanding of your mission and goals. We will gain an understanding of the key processes and related internal controls relevant to your organization and the impact of those controls on the financial statements. We will design analytical procedures that consider trends and key performance metrics that are meaningful to the District. This provides us with a more thorough understanding of the District in order to plan the substantive procedures and allows us to provide knowledgeable responses to your questions.

As a result of our experience with state and local governments, Aldrich has a well-developed approach to effectively perform audits of this industry. Our work programs have been tailored to accomplish all our engagement objects, have been thoroughly tested on a variety of engagements and are constantly revised as we encounter new situations. In addition, our professionals are trained and experienced on how to apply our work programs. This will result in minimizing the effort required by you and your personnel.

A manager or senior manager performs a detailed review of the work papers in the field, and then a technical review is performed at the completion of the draft financial statements to ensure that the financial statements and disclosures are presented in accordance with appropriate accounting and financial reporting standards.

Our technology enables us to perform an audit in a fully remote environment, but each client is different, so we strive to develop a plan with the client to determine the best approach. We utilize the electronic information generated from your information systems and the schedules already prepared by your employees in our audit procedures to minimize duplication of effort and to streamline the audit process. We offer a web-based portal which allows our clients to store and access information, including your audited financial statements, electronically throughout the year.

We are committed to delivering the final report within a reasonable time frame from the completion of our fieldwork and in accordance with your specific needs, no later than December 14th. The following is a tentative schedule of when we anticipate the engagement to be performed for the first-year engagement. This is tentative and we will work with you and your team to solidify the schedule.



FINANCIAL STATEMENT ATTEST TIMELINE	MAY - JUNE	JULY - AUG.	SEPT.- OCT.	NOV.- DEC.
Pre-audit conference with the District and management to obtain a further understanding of the District and develop a work plan.	Red	Grey	Grey	Grey
Pre-audit planning and risk assessment.	Red	Grey	Grey	Grey
Confirmations and completion of planning procedures.	Grey	Red	Grey	Grey
Preliminary fieldwork, including understanding internal controls and risk assessment.	Grey	Red	Grey	Grey
Final fieldwork for the financial statement audit.	Grey	Grey	Red	Grey
Delivery of draft reports to management.	Grey	Grey	Red	Grey
Delivery of final audit reports and management letter	Grey	Grey	Grey	Red
Presentation of the results to the Audit Committee and management if requested.	Grey	Grey	Grey	Red

We routinely request client prepared financial information and supporting detailing schedules at least two weeks prior to the start of the audit. When we spend time in the field, we will require the support of the District’s staff to answer any questions that may arise. The schedule for future years will be determined based on discussion with management at the conclusion of the initial year audit.

GASB Implementation

GASB has issued the following statements which will be implemented starting for the fiscal year ended June 30, 2023:

- GASB 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* – effective for the fiscal year ended June 30, 2023
- GASB 96, *Subscription-Based Information Technology Arrangements* – effective for the fiscal year ended June 30, 2023
- GASB 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62* – effective for the fiscal year ended June 30, 2024
- GASB 101, *Compensated Absences* – effective for the fiscal year ended June 30, 2025

Aldrich will also provide assistance with compliance pertaining to GASB 74, GASB 87 and GASB 67 related to the notes to the financial statements and any required adjusting journal entries.

Aldrich’s employees attend conferences and CPE throughout the year to ensure they stay on the forefront of GASB reporting. Trainings, knowledge and information gleaned from these conferences are shared with clients. Depending on the standard being implemented, Aldrich will help draft template financial statement notes, develop spreadsheets to assist in calculations or offer general training on the standard.



Total All Inclusive Maximum Price

4) The cost estimate should contain all pricing information relative to performing the audit engagements as described in this request for proposal. The all-inclusive maximum price is to contain all direct and indirect costs including all out-of-pocket expenses. The proposal should indicate pricing for the three (3) years covering the audit proposal. The proposal should also include a schedule for professional fee rates by partner, specialist, supervisor, and staff level. Invoices are to be based on actual costs incurred up to the maximum price.

We have estimated our fees for FY 2023 and included our price guarantees for FY 2024 and FY 2025. Our fee estimates anticipate adequate records and internal controls, full cooperation from your team, and that no unexpected circumstances should arise during the audit. The fee estimates are as follows:

Professional Services	2023	2024	2025
Audit of the financial statements for the Greater Los Angeles County Vector Control District.	\$52,000	\$55,000	\$58,000
Preparation of State Controller’s annual Report of Financial Transactions of Special Districts	No Charge	No Charge	No Charge
Management letters to report findings, observations, other comments, or recommendations regarding internal control that come to our attention during the audit.	No Charge	No Charge	No Charge
Assessment, including review of internal controls, bylaws, policies and procedures, business issues, and organization structure.	No Charge	No Charge	No Charge
Presentation of the audit results and suggestions to the Board of Directors and management at the after the audit.	No Charge	No Charge	No Charge
Availability throughout the year to answer routine questions related to the audit that can be answered without additional research.	No Charge	No Charge	No Charge
Invitation to Aldrich Nonprofit regulatory and legislative updates – via live seminar or webinars	No Charge	No Charge	No Charge

Based on the expectation of the quality of records that will be provided, we have estimated fees in the above table. Our policy is to estimate our fees at a competitive rate that enables us to be responsive to your needs and provide high-quality professional services. Our audit fees are based on your staff preparing the audit work papers and schedules necessary to support the accounts and the related notes to the financial statements.

Our fees do not include any provision for non-attest and accounting services. Our goal is for you to pay only the cost of auditing your financial records and not to pay for the cost of “closing the books.” We accomplish this by having you provide us with a complete set of your internal financial statements to examine prior to the start of the audit. In addition, schedules, and adjustments you prepare before the start of the engagement will help to contain and control costs. Should any unexpected circumstances or extraordinary items come to our attention which would require an extension of our services, we will consult with you concerning such extensions and any additional fees.

We do not anticipate using any association or affiliate member firm personnel to perform the requested services. We have team members within Aldrich who possess the skill and expertise needed to complete the audit.



Billing Rates + Question Procedure

We encourage all our clients to connect with us throughout the year with questions. Most (95%+) of the time, these questions can be answered by our team with little or no research, and there is no additional charge for that communication. If there is a matter that requires substantial research, we will estimate a fee based on the anticipated time necessary at our standard hourly rates and provide that in advance of any work being done.

Our standard billing rates for 2023 for all levels of personnel to be assigned to the engagement are as follows:

Level	2023
Partner	\$500
Manager	\$375
Senior	\$225
Associate	\$165

There will be no additional charge for incremental costs (e.g., travel, mileage, copying, printing, etc.).

Additional Professional Services

Any additional work agreed to between the District and Aldrich will be performed as set forth in the schedule of fees above. A written contract amendment will be provided for any such additional work that necessitates an increase in the maximum contract price.



How We Provide Value

Aldrich has built our audit approach to be much more robust than just providing an opinion. We see each client relationship as a partnership where we can share our knowledge and expertise. Often that extends well beyond just audit. Aldrich is a full-service professional firm and has provided value to our clients by:

- ▶ Providing oversight and governance presentations to our clients' board of directors
- ▶ Being engaged in our clients' programs, activities, and special events through volunteering
- ▶ Providing proactive trainings to our clients for new standards or regulatory changes
- ▶ Giving cost savings suggestions and recommendations around vendor contracts
- ▶ Structuring health benefits to employees that allow for robust benefits in a cost-effective manner

Aldrich works closely with clients to determine the optimum amount of time spent onsite and offsite performing audit procedures. Our technology enables us to perform an audit in a fully remote environment, but each client is different, so we strive to develop a plan with the client to determine the best approach. We utilize the electronic information generated from your information systems and the schedules already prepared by your employees in our audit procedures to minimize duplication of effort and to streamline the audit process. We offer a web-based portal which allows our clients to store and access information, including your audited financial statements, electronically throughout the year.

EXHIBIT A