

TWAIN HARTE COMMUNITY SERVICES DISTRICT Finance/Policy Committee Meeting

Chair: *Eileen Mannix*

Co-Chair: *Charlotte Bohlman*

THCSD CONFERENCE ROOM
22912 VANTAGE POINTE DR., TWAIN HARTE
June 7, 2023 1:30 p.m.

NOTICE: Public May Attend this Meeting In-Person.

The meeting will be accessible via ZOOM for anyone that chooses to participate virtually:

- Videoconference Link: <https://us02web.zoom.us/j/84474210428>
- Meeting ID: 844 7421 0428
- Telephone: (669) 900-6833

AGENDA

- 1. Review/discuss final draft of Fiscal Year 2023-24 Administration Fund Budget, overall District Budget and projected reserve levels.**
- 2. Review proposals for auditor services.**
- 3. Review Policy #2081 – Performance Evaluations.**
- 4. Review Policy #2120 – District Cellular Phones.**
- 5. Adjourn.**

HOW TO VIRTUALLY PARTICIPATE IN THIS THIS MEETING

The public can virtually observe and participate in a meeting as follows:

- **Computer:** Join the videoconference by clicking the videoconference link located at the top of this agenda or on our website. You may be prompted to enter your name and email. Your email will remain private and you may enter “anonymous” for your name.
- **Smart Phone/Tablet:** Join the videoconference by clicking the videoconference link located at the top of this agenda OR log in through the Zoom mobile app and enter the Meeting ID# and Password found at the top of this agenda. You may be prompted to enter

your name and email. Your email will remain private and you may enter “anonymous” for your name.

- **Telephone:** Listen to the meeting by calling Zoom at (4669) 900-6833. Enter the Meeting ID# listed at the top of this agenda, followed by the pound (#) key.

* NOTE: your personal video will be disabled and your microphone will be automatically muted.

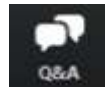
SUBMITTING PUBLIC COMMENT

The public will have an opportunity to comment before and during the meeting as follows:

- **Before the Meeting:**
 - Email comments to ksilva@twainhartecsd.com, write “Public Comment” in the subject line. In the body of the email, include the agenda item number and title, as well as your comments.
 - Mail comments to THCS Board Secretary: P.O. Box 649, Twain Harte, CA 95383
- **During the Meeting:**
 - Computer/Tablet/Smartphone: Click the “Raise Hand” icon and the host will unmute your audio when it is time to receive public comment. If you would rather make a comment in writing, you may click on the “Q&A” icon and type your comment. You may need to tap your screen or click on “View Participants” to make icons visible.



Raise Hand Icon:



Q&A Icon:

- Telephone: Press *9 if to notify the host that you have a comment. The host will unmute you during the public comment period and invite you to share comments.
- In-Person: Raise your hand and the Board Chairperson will call on you.

* NOTE: If you wish to speak on an item on the agenda, you are welcome to do so during consideration of the agenda item itself. If you wish to speak on a matter that does not appear on the agenda, you may do so during the Public Comment period. Persons speaking during the Public Comment will be limited to five minutes or depending on the number of persons wishing to speak, it may be reduced to allow all members of the public the opportunity to address the Board. Except as otherwise provided by law, no action or discussion shall be taken/conducted on any item not appearing on the agenda. Public comments must be addressed to the board as a whole through the President. Comments to individuals or staff are not permitted.

MEETING ETIQUETTE

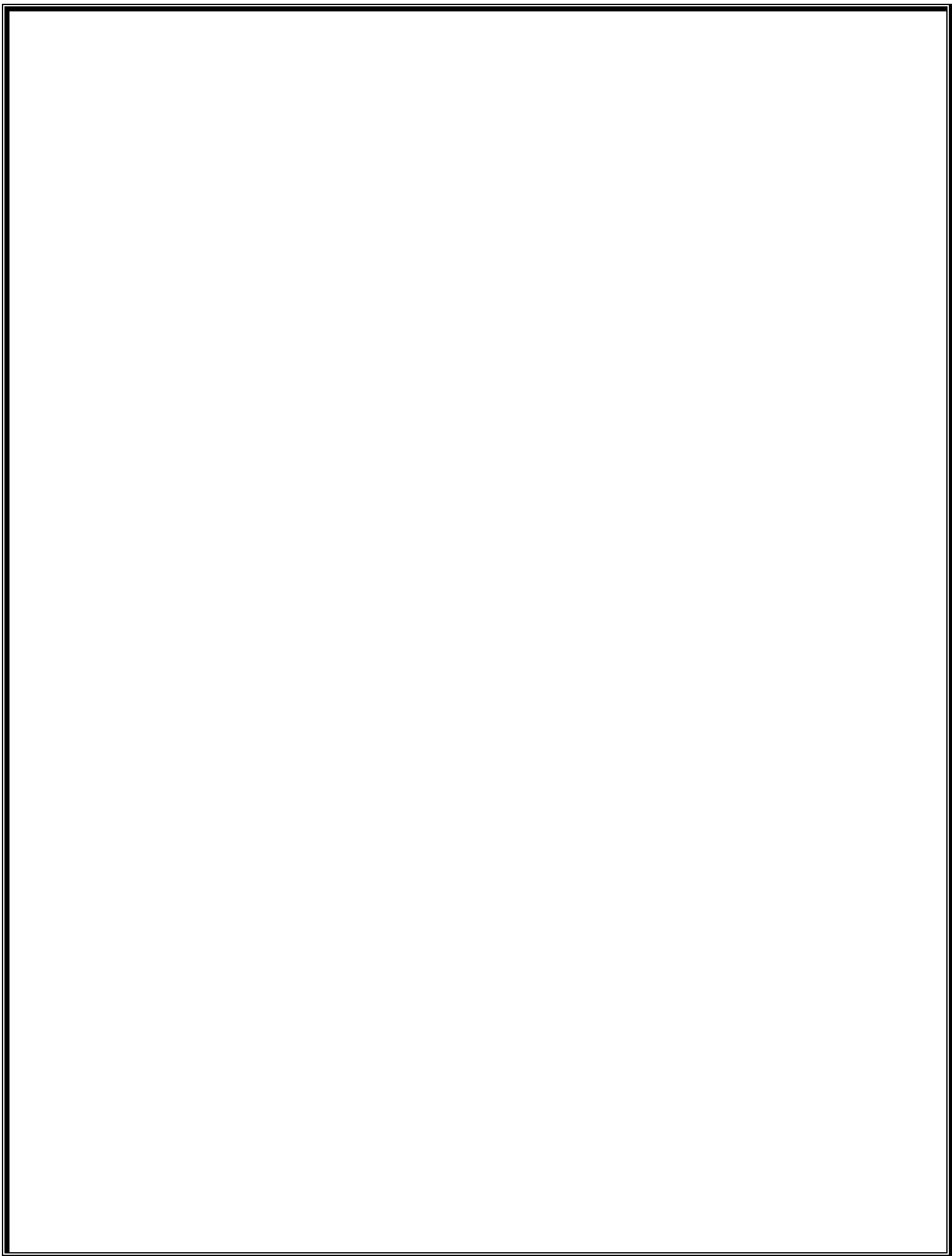
Attendees shall make every effort not to disrupt the meeting. Cell phones must be silenced or set in a mode that will not disturb District business during the meeting.

ACCESSIBILITY

Board meetings are accessible to people with disabilities. In compliance with the Americans with Disabilities Act, those requiring accommodations for this meeting should notify the District office 48 hours prior to the meeting at (209) 586-3172.

WRITTEN MEETING MATERIALS

If written materials relating to items on this Agenda are distributed to Board members prior to the meeting, such materials will be made available for public inspection on the District’s website: www.twainhartecsd.com



Twain Harte Community Services District

2023-2024 ANNUAL BUDGET

ADMIN - REVENUE

BUDGET ITEM	BUDGET		CHANGE		REASON FOR CHANGE
	22/23 Approved	23/24 Requested	\$	%	

Other Revenue					
Grant Revenue	\$ 1,200		\$ (1,200)	-100%	
Miscellaneous Revenue	1,000	1,000	-	0%	
Interest Revenue			-	0%	
Lease Revenue			-	0%	
Sale of Assets			-	0%	
Other			-	0%	
TOTAL OTHER REVENUE	\$ 2,200	\$ 1,000	\$ (1,200)	-55%	

GRAND TOTAL REVENUE	\$ 2,200	\$ 1,000	\$ (1,200)	-55%	
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Twain Harte Community Services District

2023-2024 ANNUAL BUDGET

ADMIN - EXPENSES

BUDGET ITEM	BUDGET		CHANGE		REASON FOR CHANGE
	22/23 Approved	23/24 Requested	\$	%	

Salaries - 51XXX					
Regular Time	\$ 412,128	\$ 431,421	19,293	5%	Union negotiated increases and new maintenance employee
Overtime			0	0%	
Uniform Allowance	45	104	59	130%	
Sick Leave/Vacation Pay	8,880	10,000	1,120	13%	
Director Stipends	8,880	8,880	0	0%	
TOTAL SALARIES	\$ 429,933	\$ 450,405	\$ 20,471	5%	

Benefits - 52XXX					
Health & Vision Insurance	\$ 73,228	\$ 78,502	\$ 5,274	7%	Anticipated rate increase
HRA Reimbursement	26,238	26,238	0	0%	
Retirement	80,129	86,927	6,799	8%	New employee, Rate and salary increases
FICA	27,328	29,081	1,753	6%	New employee and salary increases
Medicare	6,493	6,801	308	5%	
Workers Comp	3,500	3,860	360	10%	
Unemployment Ins/ETT	1,281	1,292	11	1%	
TOTAL BENEFITS	\$ 218,196	\$ 232,701	\$ 14,506	7%	

Equipment, Automotive, Maintenance & Repairs					
Equipment Maintenance & Repair	\$ 1,800	\$ 1,800	\$ -	0%	
Facilities Maintenance & Repair	4,000	4,000	0	0%	
Janitorial/Cleaning Services	4,300	500	(3,800)	-88%	Duties will be completed by new maint employee
Fuel	2,200	2,200	0	0%	
Equipment Under \$5,000	4,500	4,500	0	0%	
TOTAL EQUIP, AUTO, MAINT & REPAIRS	\$ 16,800	\$ 13,000	\$ (3,800)	-23%	

Materials & Supplies - 54XXX					
Office Supplies	\$ 2,300	\$ 2,300	\$ -	0%	
Postage	1,500	1,500	0	0%	
Janitorial Supplies	150	150	0	0%	
TOTAL MATERIALS & SUPPLIES	\$ 3,950	\$ 3,950	\$ -	0%	

Twain Harte Community Services District

2023-2024 ANNUAL BUDGET

ADMIN - EXPENSES

BUDGET ITEM	BUDGET		CHANGE		REASON FOR CHANGE
	22/23 Approved	23/24 Requested	\$	%	
Outside Services - 55XXX					
Auditing/Accounting Services	\$ 10,900	\$ 13,700	\$ 2,800	26%	Anticipated auditing fee increase
Legal Fees	7,700	8,500	800	10%	
IT Services	7,100	5,600	(1,500)	-21%	Reduction in one-time costs
Medical Exams	200		(200)	-100%	
Other Professional Services	\$ 1,650	\$ 1,650	0	0%	
TOTAL OUTSIDE SERVICES	\$ 27,550	\$ 29,450	\$ 1,900	7%	
Other - 56XXX					
Utilities	\$ 8,000	\$ 8,500	\$ 500	6%	
Phone/Communications	5,300	4,900	(400)	-8%	
Software Licenses & Maintenance	16,700	20,000	3,300	20%	Full year costs of accounting software upgrade
Property/Liability Insurance	12,300	14,500	2,200	18%	Anticipated rate increase
Dues & Memberships	3,700	5,000	1,300	35%	LAFCO increases
Licenses & Certifications	750	650	(100)	-13%	
Training, Conferences & Travel	21,750	22,900	1,150	5%	
Advertising & Public Education	1,000	1,000	0	0%	
Bank/Investment Fees	3,400	200	(3,200)	-94%	Change of bank
TOTAL OTHER	\$ 72,900	\$ 77,650	\$ 4,750	7%	
GRAND TOTAL EXPENSES	\$ 769,329	\$ 807,156	\$ 37,827	5%	
Admin Transfer Out	\$ (769,329)	\$ (807,156)	\$ 37,827		
GRAND TOTAL WITH TRANSFER	\$ -	\$ -			

Twain Harte Community Services District
2023/2024 ANNUAL BUDGET

	WATER			SEWER			FIRE			PARK			ADMIN			TOTAL
	FY 22-23	Requested	% Diff	FY 22-23	Requested	% Diff	FY 22-23	Requested	% Diff	FY 22-23	Requested	% Diff	FY 22-23	Requested	% Diff	PROJECTED
Revenue																
Service Charges	\$ 1,470,863	\$ 1,476,315	0%	\$ 1,137,942	\$ 1,137,942	0%	\$ -	\$ -	0%	\$ -	\$ -	0%	\$ -	\$ -	0%	\$ 2,614,257
Fees	18,180	17,980	-1%	14,820	13,580	-8%	-	-	0%	7,100	7,100	0%	-	-	0%	38,660
Taxes & Assessments	39,292	40,078	2%	-	-	0%	1,278,501	1,311,127	3%	146,699	151,365	3%	-	-	0%	1,502,569
Grants & Donations	1,555,650	1,345,000	-14%	-	490,000	490000%	286,726	299,275	4%	2,746,065	2,416,065	-12%	1,200	-	-100%	4,550,340
Other Revenue	47,800	48,000	0%	7,100	20,000	182%	168,898	35,340	-79%	111,292	3,500	-97%	1,000	1,000	0%	107,840
Total Program Revenue	\$ 3,131,785	\$ 2,927,372	-7%	\$ 1,159,862	\$ 1,661,522	43%	\$ 1,734,125	\$ 1,645,742	-5%	\$ 3,011,156	\$ 2,578,030	-14%	\$ 2,200	\$ 1,000	-55%	\$ 8,813,666
Admin Revenue Allocation	1,034	470	-55%	550	250	-55%	396	180	-55%	220	100	-55%	(2,200)	(1,000)	-55%	-
GRAND TOTAL REVENUE	\$ 3,132,819	\$ 2,927,842	-7%	\$ 1,160,412	\$ 1,661,772	43%	\$ 1,734,521	\$ 1,645,922	-5%	\$ 3,011,376	\$ 2,578,130	-14%	\$ -	\$ -	0%	\$ 8,813,666
Operating Expenses																
Salaries	\$ 331,618	\$ 340,049	3%	\$ 183,109	\$ 190,272	4%	\$ 624,733	\$ 608,766	-3%	\$ 5,214	\$ 26,340	405%	\$ 429,933	\$ 450,405	5%	\$ 1,615,832
Benefits	179,157	190,812	7%	98,967	105,828	7%	288,214	309,836	8%	3,022	6,508	115%	218,196	232,701	7%	845,684
Equip, Auto, Maint, & Repairs	183,470	152,300	-17%	79,900	66,500	-17%	102,900	125,000	21%	41,930	14,850	-65%	16,800	13,000	-23%	371,650
Materials & Supplies	43,300	49,400	14%	5,900	6,000	2%	10,000	10,300	3%	1,500	1,500	0%	3,950	3,950	0%	71,150
Outside Services	305,550	168,050	-45%	30,550	30,350	-1%	27,950	23,500	-16%	4,500	4,500	0%	27,550	29,450	7%	255,850
Other (Utilities, Prop/Liab Ins, TUD)	229,615	247,100	8%	537,885	611,758	14%	108,500	106,300	-2%	53,100	28,500	-46%	72,900	77,650	7%	1,071,308
Debt Service	188,614	110,684	-41%	16,976	16,958	0%	-	-	0%	-	-	0%	-	-	0%	127,641
Total Program Expenses	\$ 1,461,323	\$ 1,258,394	-14%	\$ 953,287	\$ 1,027,665	8%	\$ 1,162,297	\$ 1,183,702	2%	\$ 109,266	\$ 82,198	-25%	\$ 769,329	\$ 807,156	5%	\$ 4,359,115
Administrative Cost Allocation	361,585	379,363	5%	192,332	201,789	5%	138,479	145,288	5%	76,933	80,716	5%	(769,329)	(807,156)	5%	-
GRAND TOTAL OPERATING EXPENSES	\$ 1,822,908	\$ 1,637,757	-10%	\$ 1,145,619	\$ 1,229,454	7%	\$ 1,300,776	\$ 1,328,990	2%	\$ 186,199	\$ 162,914	-13%	\$ -	\$ -	0%	\$ 4,359,115
TOTAL OPERATING BALANCE	\$ 1,309,911	\$ 1,290,085		\$ 14,793	\$ 432,318		\$ 433,744	\$ 316,932		\$ 2,825,177	\$ 2,415,216		\$ -	\$ -		
Capital Expenses																
Capital Outlay	1,855,400	1,913,500	3%	224,300	777,500	247%	731,682	380,000	-48%	2,794,800	2,466,000	-12%	-	-	0%	5,537,000
Total Capital Expenses	\$ 1,855,400	\$ 1,913,500	3%	\$ 224,300	\$ 777,500	247%	\$ 731,682	\$ 380,000	-48%	\$ 2,794,800	\$ 2,466,000	-12%	\$ -	\$ -		\$ 5,537,000
GRAND TOTAL EXPENSES	\$ 3,678,308	\$ 3,551,257	-3%	\$ 1,369,919	\$ 2,006,954	47%	\$ 2,032,458	\$ 1,708,990	-16%	\$ 2,980,999	\$ 2,628,914	-12%	\$ -	\$ -	0%	\$ 9,896,115
Transfer To/(From) Reserve	\$ (545,489)	\$ (623,415)		\$ (209,507)	\$ (345,182)		\$ (297,938)	\$ (63,068)		\$ 30,377	\$ (50,784)		\$ -	\$ -		\$ (1,082,449)

PROPOSED RESERVE SUMMARY

As of June 30, 2023

	Water	Sewer	Fire	Parks	Total
Committed					
Capital Improvement/Asset Replacement Reserve	\$ 1,514,004	\$ 841,149	\$ 514,101	\$ 309,384	\$ 3,178,638
Rate/Revenue Stabilization Reserve	\$ 154,240	\$ 115,332	\$ 66,651	\$ 12,235	\$ 348,458
Water Rights Reserve	\$ 120,083	\$ -	\$ -	\$ -	\$ 120,083
Total Committed	\$ 1,788,327	\$ 956,481	\$ 580,752	\$ 321,619	\$ 3,647,179
Assigned					
Operating Reserve	\$ 363,929	\$ 255,829	\$ 617,158	\$ 80,037	\$ 1,316,953
Pension Liability	\$ (116,067)	\$ (62,500)	\$ (140,435)	\$ -	\$ (319,002)
Total Assigned	\$ 247,862	\$ 193,329	\$ 476,723	\$ 80,037	\$ 997,951
ESTIMATED ENDING BALANCE - FY 22/23	\$ 4,025,934	\$ 2,075,202	\$ 2,538,539	\$ 1,814,312	\$ 10,453,987

23/24 Projected Transfer To/(From) Reserve					
Rate Stabilization Reserve		\$ (57,682)			
Capital Improvement/Asset Replacement Reserve	\$ (623,415)	\$ (287,500)	\$ (63,068)	\$ (50,784)	\$ (1,024,767)
TOTAL TRANSFERS TO/(FROM) RESERVE	\$ (623,415)	\$ (345,182)	\$ (63,068)	\$ (50,784)	\$ (1,024,767)

Projected Capital Reserve as of 6/30/24	\$ 890,589	\$ 553,649	\$ 451,033	\$ 258,600	\$ 2,153,871
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**AUDIT SERVICES PROPOSAL
COMPARISON**

Company Name	State Controller's Report	GASB 34	GASB 68	MD&A	4 Year Cost	Location
Blomberg & Griffin	Yes	Yes	Yes	Yes	\$ 61,625	Stockton
Nigro & Nigro	Yes	Yes	Yes	Yes	\$ 82,000	Walnut Creek



Blomberg & Griffin Accountancy Corporation
Certified Public Accountant

Carolyn Higgins
Finance Officer/Board Secretary
Twain Harte Community Services District
P.O. Box 649
Twain Harte, CA 95383

May 11, 2023

Dear Mrs. Higgins and Members of the Board,

Thank you for the opportunity to submit the following proposal to serve as independent auditor for the Twain Harte Community Services District. This letter provides the following confirmation.

Independence: Our firm is independent of the THCSO and meets the client audit or rotation requirements by maintaining additional certified public accountants on staff.

License to Practice: Our firm and all assigned key professional staff are properly registered and licensed to practice in the state of California.

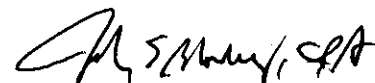
Experience: Our firm has the direct experience necessary to carry out the objectives outlined, and the work proposed in this RFP.

Availability: All of our resources as available to meet the objectives of this proposal.

Lawsuits or Claims: There are no lawsuits or claims of fraud or malpractice relating to our firm's government audit and consulting practice.

Should you need any additional information regarding this proposal please call John E. Blomberg, C.P.A. at (209) 466-3894.

Respectfully Submitted,


John E. Blomberg, C.P.A.



Blomberg & Griffin Accountancy Corporation
Certified Public Accountant

INDEPENDENT AUDIT PROPOSAL

Carolyn Higgins
Finance Officer/Board Secretary
Twain Harte Community Services District
P.O. Box 649
Twain Harte, CA 95383

May 11, 2023

Dear Mrs. Higgins:

We propose to conduct the audit(s) of the financial statements of the Twain Harte Community Services District for the fiscal year(s) ending June 30, 2023 (at the option of Twain Harte Community Services District 2024, 2025 and 2026) in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, and in accordance with the "Minimum Audit Requirements and Reporting Guidelines for California Special Districts" as required by the State Controller's Office.

Our proposal includes a report of the fair presentation of the financial statements in accordance with auditing standards generally accepted in the United States of America. Our proposal also includes Required Supplemental Schedules (RSI) as required by GASB 34 and 68.

We will render a report on compliance and internal control over financial reporting based on an audit of the financial statements. A written report will be issued immediately to management upon the discovery of illegal acts or major irregularities discovered during the audit.

We will prepare and forward the Annual Report of Financial Transactions of Special Districts pursuant to Government Code Section 53891 to the State Controller's Office. We will provide a copy of the report filed including the signature page for processing to the finance officer.

We will present the completed audited financial statements to the Board of Directors at a regularly scheduled board meeting in person or by teleconference.

Our firm is comprised of eight professional and support staff, was incorporated in 1981 and has over forty years of government audit experience. The size of our government audit contracts performed ranges from less than \$100,000 to more than 30 million (annual budget). Our listing of local government auditing work performed in the last five years includes over one hundred fifty audits of California Special Districts of the following types:

- Community Services District
- Fire Districts
- Water Districts

- Irrigation Districts
- Cemetery Districts
- Resource Conservation Districts

Our Government Consulting Work Performed Includes:

- Compliance Audits (OMB A-133) single audits
- Rate Studies
- Asset Observations
- Depreciation Schedules
- GANN Limit Calculations
- CalPERS Pension Disclosures
- OPEB Accruals and Disclosures
- Internal Controls/Procedures
- Various Computer Programs
- State Controller's Report
- Payroll Compliance
- Various Other Matters

References:

	<u>Contact</u>	<u>Phone</u>
• Woodside Fire Protection District	Kate Edwards	(650) 851-6205
• Browns Valley Irrigation District	Donna	(530) 743-5703
• Lockeford Community Services District	Heather Artiaga	(209) 727-5035

Our Proposed Audit Work Plan:

- Preliminary Planning/Analytical Review
- Roll Forward of Various Files
- GASB 68 Update
- Preliminary Financial Statement Layout
- Preliminary Depreciation Schedule Test
- Review of Controls and Update of I/C and W/P
- Various Analytical Procedures
- Preparation of and Electronic Filing of State Controller's Report

Field Work:

- Review of G/L and Beginning Balance Test
- Review of Minutes
- Payroll Test
- Revenue Test
- Disbursement Test
- Review of Contracts, Grants and Agreements, Asset Additions and Deletions
- GASB 68 Update
- Review of MD&A and Footnotes Update
- Prepare Various Confirmations

- Exit Conference

Report Preparation:

- Prepare Comparative Financial Statements and Footnotes
- Various Analytical Procedures
- Assists with Preparation of MD&A
- Prepare Preliminary Audit Report for Management Review
- Prepare Final Audit Report and Presentation at Board Meeting

Hourly Rates:

Partner/Senior Auditor	\$125.
Manager	95.
Support Staff	75.

Cost Proposal:

	<u>Est. Hours</u>	<u>Cost</u>
One Year Term:		
Y/E 6/30/23	120	\$13,500.
Prepare State Controller's Report	10	1,250.
Four Year Term	120/YR	
Y/E 6/30/23		12,450.
Y/E 6/30/24		13,700.
Y/E 6/30/25		14,975.
Y/E 6/30/26		15,500.
Prepare State Controller Report		1,250. /YR

Other Relevant Information:

Member California Society of CPA's
 Member California Special Districts Association
 Peer Reviewed AICPA Peer review program
 Professional Liability Insurance Carrier State Farm Ins. \$1,000,000. Limit

Should you need any additional information regarding this proposal please call John E. Blomberg, CPA at (209) 466-3894.

Respectfully Submitted,



John E. Blomberg, CPA, President

**PROPOSAL FOR PROFESSIONAL AUDITING SERVICES
Twain Harte Community Services District**

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



Respectfully Submitted on May 25, 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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May 25, 2023

Carolyn Higgins, Finance Officer
Twain Harte Community Services District
22912 Vantage Pointe Dr
Twain Harte, CA 93456

Dear Ms. Higgins,

Thank you for the opportunity to submit this proposal to provide audit services for the Twain Harte Community Services 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 other community services 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 special 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 Walnut Creek office. We also have an office in Murrieta (Headquarters) 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:

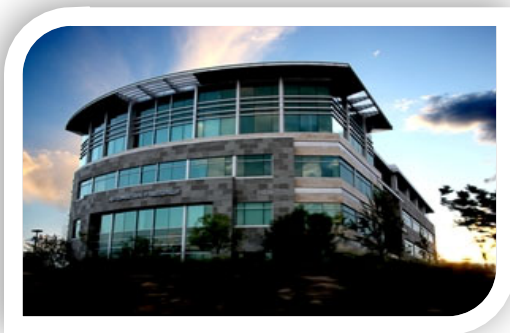
Position	Number of Employees	Number of Licensed CPA's
Partner*	7	7
Senior Manager	1	1
Manager	3	1
Supervisor	1	-
Senior	8	1
Associates	10	-
Support Staff	3	-
Total	33	10

**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."*

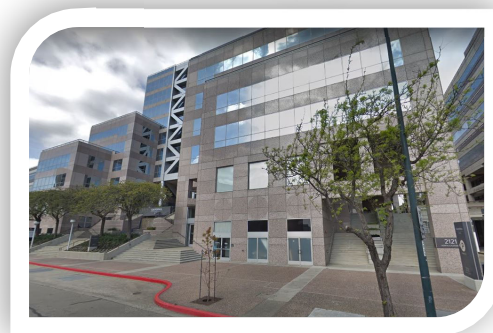
Size and Location of Offices

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

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 Solmosen, 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 2023)

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 Community Service District clients:

Stallion Springs CSD – Jenni Morris – 661-822-3268

Kensington Police Protection & CSD – Cindy Byerrum – 909-204-8858

Santa Ynez CSD – Kristi Even – 319-939-1566

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 Water 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	12	8	18	38
September/October				
Final fieldwork, report preparation, review, finalization, and presentation	20	23	31	74
Total hours	40	39	59	138
Preliminary planning and fieldwork	8	8	10	26
Control	12	8	18	38
Substantive	10	11	21	42
Reporting	10	12	10	32
	40	39	59	138

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 receiving, 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.

Proposing Firm Warranties

1. The firm is willing and able to obtain an Errors and Omissions Insurance Policy providing a prudent amount of coverage for the willful or negligent acts or omissions of any officers, employees, or agents thereof.
2. The firm will not delegate or subcontract its responsibilities under an agreement without the express prior written permission of the District.
3. All information provided by the firm in connection with this proposal is true and correct.
4. The firm will acknowledge and agree with all terms and conditions stated in this Request for Proposal.



Paul J. Kaymark, CPA
Audit Services Partner

AUDIT FEES

Professional	Hours	Rates		Total
		Standard	Quoted	
Partner	16.00	\$ 225.00	\$ 200.00	\$ 3,200.00
Manager	24.00	200.00	175.00	4,200.00
Senior	39.00	175.00	150.00	5,850.00
Staff Members	54.00	150.00	125.00	6,750.00
Admin	5.00	125.00	100.00	500.00
Subtotal	<u>138.00</u>			20,500.00
Out-of-Pocket - Included in Rates (We Are Local)				-
Total Max				<u>\$ 20,500.00</u>

Fiscal Year	FY 2023	FY 2024	FY 2025	Total
District ACFR	\$ 20,000	\$ 20,000	\$ 20,000	\$ 60,000
State Controller's	\$ 500	\$ 500	\$ 500	\$ 1,500
Total	<u>\$ 20,500</u>	<u>\$ 20,500</u>	<u>\$ 20,500</u>	<u>\$ 61,500</u>

Same Price for FY 2026 and FY 2027

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

ADDITIONAL INFORMATION

Testimonial

"Few people have the opportunity to work with someone who was a coach and a mentor-but I did when I worked with Paul. I had the pleasure working directly under Paul's supervision and I was particularly impressed by his ability to handle even the toughest clients - and effortlessly. That skill often takes years to develop, but it seemed to come perfectly natural to him. Paul was one of those rare partners who also naturally serve as an inspiring mentor for the whole staff and I was grateful to learn a lot from him."

*Deana Miller
Accounting Manager
PolyCera, Inc.*

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



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*.

June 11, 2021



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

4/27/2023

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

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

PRODUCER RANCHO CAL INSURANCE SERVICES 29930 Hunter Rd Ste 106 Murrieta, CA 92563	CONTACT NAME: James Mitchell PHONE (A/C, No, Ext): (951)260-0190 E-MAIL ADDRESS: jim@ranchoins.com	FAX (A/C, No): (951)260-0189
	INSURER(S) AFFORDING COVERAGE	
INSURED Nigro & Nigro, PC PO Box 1247 Murrieta, CA 92564	INSURER A: Ohio Security Insurance Company NAIC # 24082	
	INSURER B: Amarian Fire and Casualty Company 24066	
	INSURER C: Sequoia Insurance Company 22985	
	INSURER D: Swiss Re Corporate Solutions 29874	
	INSURER E:	
	INSURER F:	

COVERAGES**CERTIFICATE NUMBER:****REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	X	X	BZS64971750	8/15/2022	8/15/2023	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 500,000 MED EXP (Any one person) \$ 15,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY	X	X	BAS64971750	8/15/2022	8/15/2023	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$			ESA64971750	8/15/2022	8/15/2023	EACH OCCURRENCE \$ 3,000,000 AGGREGATE \$ 3,000,000
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	QWC1234195	8/15/2022	8/15/2023	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
D	Cyber Insurance			C-4MQ8-065674-CYBER-2022	8/24/2022	8/24/2023	\$1,000,000

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

Certificate holder is named additional insured by company endorsement.

CERTIFICATE HOLDER**CANCELLATION**

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

AUTHORIZED REPRESENTATIVE

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TWAIN HARTE COMMUNITY SERVICES DISTRICT
Policy and Procedure Manual

POLICY TITLE: Performance Evaluations

POLICY NUMBER: 2081

ADOPTED: March 13, 2008

AMENDED:

LAST AMENDED:

2081.10 PURPOSE

It is the intent of the District to provide clear expectations and feedback on job performance to its employees. This policy sets forth requirements for performance evaluations. The policy shall apply to all employees, except temporary and seasonal employees.

2081.20 PERFORMANCE EVALUATION REQUIREMENTS

Performance evaluations are subject to the following requirements:

1. The Department Head or General Manager shall conduct a scheduled performance review of each regular employee prior to the end of each fiscal year.
2. Performance evaluations shall be in writing on forms prescribed by the General Manager. Said evaluation shall provide recognition for effective performance and also identify areas that need improvement.
3. The performance evaluation shall be discussed with the employee, signed by the evaluator and the employee, and a copy shall be placed in the employee's permanent file. An employee at their option may provide a written response to the performance evaluation within thirty (30) days of its receipt that will be attached to performance evaluation in the employee's permanent file.
4. Performance evaluations may be undertaken more frequently than annually at the discretion of the General Manager.
5. The General Manager shall be evaluated at the discretion of the Board of Directors or as specified in the General Manager's employment agreement.

Commented [GCD1]: Because the District has firefighters, this language is in accordance with Gov't Code section 3256 of the Firefighter Bill of Rights (FBOR). I don't think it is a bad idea to apply to all District employees either as the fact an employee can provide a response does not obligate the District to do anything differently with the evaluation.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Policy and Procedure Manual

POLICY TITLE: Performance Evaluations

POLICY NUMBER: 2081

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4. Performance evaluations may be undertaken more frequently than annually at the discretion of the General Manager.
5. The General Manager shall be evaluated at the discretion of the Board of Directors or as specified in the General Manager's employment agreement.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Policy and Procedure Manual

POLICY TITLE: District Cellular ~~Telephones~~ **Phones and Electronic Tablets**
POLICY NUMBER: 2120
ADOPTED: May 8, 2008
AMENDED:
LAST AMENDED:

Commented [GCD1]: I made revisions to broaden this policy to include electronic tablets and other electronic devices. I also streamlined the references in the policy to use the term "cell phone".

2120.10 PURPOSE

The purpose of this policy is to establish uniform guidelines for the purchase and use of cellular telephones and electronic tablets and the appropriate use of ~~the phone~~ such devices and their applicable use plan.

2120.20 ELIGIBILITY

2120.21 Eligibility Determination. The District's business needs shall determine which employees are required to possess cellular phones, electronic tablets, and other electronic devices to enhance normal and emergency operations. The General Manager, or designee, shall determine if ~~cellular telephone service~~ the use of such electronic devices is required for a District employee's position based on (but not limited to) reviewing the following guidelines:

1. Safety/Emergency Response: The employee's duties involve monitoring, responding or performing other duties or activities that are essential to the safe operation of the District facilities, such that making mobile communication with a cellular telephone or other electronic device is necessary.
2. On-Call: The employee's job assignment involves being on-call, either on a formal assignment basis or as an inherent level of responsibility based on the responsibilities of the position.
3. Fieldwork: The employee's normal work duties involve the need to communicate from the field with non-District and District employees. Typically, this will involve working in locations where no public telephone is reasonably available or practical.

2120.22 Plan Determination. It is the Department Heads' responsibility, with the approval of the General Manager ~~and Finance Officer~~, to determine which cellular plan is appropriate based on estimated cell phone/electronic device usage. The plan should address the amount of airtime and other features needed to effectively perform assigned duties. Changes to the plan should be reviewed annually as part of budget planning.

2120.30 MONITORING AND CONFIDENTIALITY

The District reserves the right to monitor usage of all District-provided cellular telephones, electronic tablets, or other electronic devices. ~~Employees shall be familiar with the required protocol and skill set for effective usage of a cellular telephonesuch devices.~~

~~2120.31~~ Employees shall use discretion in relaying confidential information over cellular telephones, electronic tablets or other electronic devices. Any device used to conduct District business may be subject to search as a result of a public records request or legal discovery process.

2120.40 USE REQUIREMENTS

Use of District cell phones and devices are subject to the following requirements: ~~Care shall be exercised to prevent equipment theft or vandalism.~~

2120.32

1. Employees shall use extreme care when using a cell phone. In accordance with California State law ~~(effective July 1, 2008)~~ a hands-free device shall be utilized to use a cell phone or other electronic device while driving a motor vehicle, including text messages and emails. District cell phones shall not be used **at all** when driving in heavy traffic, during bad weather or while operating District equipment.

~~2120.33~~ The General Manager, or designee, shall approve the purchase and/or installation of cellular telephones.

~~2120.50~~ A District-provided ~~wireless telephone~~ cell phone and ~~wireless telephone~~ cell phone airtime service are intended to be used for official District business. However,

~~2120.51~~ ~~The~~ the District recognizes that ~~work related~~ certain situations, ~~such as the necessity to work unanticipated overtime or family emergencies,~~ may require the use of a cellular telephone by an employee for personal business matters. Such use is allowed; however, Cellular telephones shall not be used ~~when a less costly alternative is safe, convenient and readily available.~~

2. ~~2120.51.1~~ Cellular telephone charges for all calls, whether personal or business related, ~~are included in the monthly statement from the District's cellular service provider.~~ employees ~~may~~ will be required to reimburse the District for the cost of personal calls and/or use in excess of the employee's predetermined plan

THCS D 2120 District Cellular Phones REV 2023-06-14 ~~THCS D 2120 District Cellular Phones and Electronic Tablets~~

threshold, including all applicable taxes. ~~Records shall be maintained to monitor the usage of cellular telephones and shall be reviewed by the Department Head, Finance Officer and General Manager.~~

3. ~~2120.60~~ Cellular telephones and electronic tablets that are District property shall not be misused. Care shall be exercised to prevent equipment theft or vandalism. Employees using or having access to ~~cellular telephone~~such equipment shall be held accountable for their misuse of this equipment and shall be subject to appropriate disciplinary action for misuse.

~~Examples of cellular telephone misuse may include, but are not limited to, use for personal profit or to transmit an inappropriate message to another party, and/or use as a primary means of personal communications.~~

2120.50 USE OF PERSONAL DEVICE

If provided for in an applicable memorandum of understanding or collective bargaining agreement, employees who are deemed eligible for a District cell phone may opt to use their personal device and receive a regular stipend. Employees who opt to use their personal device instead of a District-provided device must possess and maintain a personal device capable of performing the required employer business functions and must make their personal devices available for all business uses. Use of such personal devices for District business is subject to the requirements of this policy.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Policy and Procedure Manual

POLICY TITLE: District Cell Phones and Electronic Tablets

POLICY NUMBER: 2120

ADOPTED: May 8, 2008

AMENDED:

LAST AMENDED:

2120.10 PURPOSE

The purpose of this policy is to establish uniform guidelines for the purchase and use of cell phones and electronic tablets and the appropriate use of such devices and their applicable use plan.

2120.20 ELIGIBILITY

2120.21 Eligibility Determination. The District's business needs shall determine which employees are required to possess cell phones, electronic tablets, and other electronic devices to enhance normal and emergency operations. The General Manager, or designee, shall determine if the use of such electronic devices is required for a District employee's position based on (but not limited to) the following guidelines:

1. Safety/Emergency Response: The employee's duties involve monitoring, responding or performing other duties or activities that are essential to the safe operation of the District facilities, such that making mobile communication with a cell phone or other electronic device is necessary.
2. On-Call: The employee's job assignment involves being on-call, either on a formal assignment basis or as an inherent level of responsibility based on the responsibilities of the position.
3. Fieldwork: The employee's normal work duties involve the need to communicate from the field with non-District and District employees. Typically, this will involve working in locations where no public telephone is reasonably available or practical.

2120.22 Plan Determination. It is the Department Heads' responsibility, with the approval of the General Manager, to determine which cellular plan is appropriate based on estimated cell phone/electronic device usage. The plan

THCSD 2120 District Cellular Phones_REV 2023-06-14 and Electronic Tablets

should address the amount of airtime and other features needed to effectively perform assigned duties. Changes to the plan should be reviewed annually as part of budget planning.

2120.30 MONITORING AND CONFIDENTIALITY

The District reserves the right to monitor usage of all District-provided cell phones, electronic tablets, or other electronic devices. Employees shall use discretion in relaying confidential information over cell phones, electronic tablets or other electronic devices. Any device used to conduct District business may be subject to search as a result of a public records request or legal discovery process.

2120.40 USE REQUIREMENTS

Use of District cell phones and devices are subject to the following requirements:

1. Employees shall use extreme care when using a cell phone. In accordance with California State law a hands-free device shall be utilized to use a cell phone or other electronic device while driving a motor vehicle, including text messages and emails. District cell phones shall not be used **at all** when driving in heavy traffic, during bad weather or while operating District equipment.
2. A District-provided cell phone and cell phone airtime service are intended to be used for official District business. However, the District recognizes that certain situations may require the use of a cell phone by an employee for personal matters. Such use is allowed; however, employees will be required to reimburse the District for the cost of personal calls and/or use in excess of the employee's predetermined plan threshold, including all applicable taxes.
3. Cell phones and electronic tablets that are District property shall not be misused. Care shall be exercised to prevent equipment theft or vandalism. Employees using or having access to such equipment shall be held accountable for their misuse of this equipment and shall be subject to appropriate disciplinary action for misuse.

2120.50 USE OF PERSONAL DEVICE

If provided for in an applicable memorandum of understanding or collective bargaining agreement, employees who are deemed eligible for a District cell phone may opt to use their personal device and receive a regular stipend. Employees who opt to use their personal device instead of a District-provided device must possess and maintain a personal device capable of performing the required employer business functions and must make their personal devices available for all business uses. Use of such personal devices for District business is subject to the requirements of this policy.