



RANCHO MURIETA COMMUNITY SERVICES DISTRICT

15160 Jackson Road, Rancho Murieta, CA 95683

Office - 916-354-3700 * Fax - 916-354-2082

FINANCE COMMITTEE

(Directors John Merchant and Tim Maybee)

Special Meeting

September 13, 2019 at 1:00 p.m.

All persons present at District meetings will place their cellular devices in silent and/or vibrate mode (no ringing of any kind). During meetings, these devices will be used only for emergency purposes and, if used, the party called/calling will exit the meeting room for conversation. Other electronic and internet enabled devices are to be used in the "silent" mode. Under no circumstances will recording devices or problems associated with them be permitted to interrupt or delay District meetings.

AGENDA

- 1. Call to Order**
- 2. Comments from the Public**
- 3. Pun Group Finance and Accounting Services Proposal**
- 4. Directors and Staff Comments/Suggestions**
- 5. Adjournment**

In accordance with California Government Code Section 54957.5, any writing or document that is a public record, relates to an open session agenda item and is distributed less than 72 hours prior to a regular meeting will be made available for public inspection in the District offices during normal business hours. If, however, the document is not distributed until the regular meeting to which it relates, then the document or writing will be made available to the public at the location of the meeting.

Note: This agenda is posted pursuant to the provisions of the Government Code commencing at Section 54950. The date of this posting is September 11, 2019. Posting locations are: 1) District Office; 2) Post Office; 3) Rancho Murieta Association; 4) Murieta Village Association.

MEMORANDUM

Date: September 12, 2019
To: Finance Committee
From: Tom Hennig, Director of Administration 
Subject: Financial Accounting Services

RECOMMENDED ACTION

Recommend the proposed contract with The Pun Group for providing specialized accounting services to reconcile Fiscal Year 2017/18 and 2018/19 accounting periods.

BACKGROUND

Between April and June 2019, The Pun Group (TPG) conducted a thorough analysis of how the Districts' Financial Account Services are managed as well as the District's compliance with laws and regulations over the financial activities for Special Districts in California. Their work product was summarized in the form of a report to the Board at the Board Meeting on July 17th, 2019. Based on the original scope and a mid-project scope expansion, they have developed a listing of Critical, Important and Good Practice in the areas of Human Resources and Payroll, Financial Processes and Policies, Financial System Integration and Financial and Other Reporting. Finance staff agreed with the findings and have implemented or are in the process for implantation of specific recommendations.

At the request of the Board, we requested TPG to propose a strategy for implementing the recommendations which are beyond the current capacity of staff. This proposal, which is included with this memo provides estimates for addressing the recommendations which are not currently being addressed by District staff. At this time, we are recommending to contract with TPG to address time sensitive tasks to assist with meeting our legally required audit requirements.

This contract would be considered the second phase of their work. This phase will include the services listed below and detailed in the attached Services Agreement. The costs of the services below are expected to not exceed \$60,000 for the duration of the agreement. Staff will provide updates to the Board as part of the monthly finance reports.

A. Monthly Close - Assist Controller with the current monthly closings through June 30, 2019 for the Proposed Tasks as identified in the table below.
B. Audit Readiness - Assist Controller in preparing required schedules and reconciliations to assist in readying the District for its FY 2018-19 audit*
C. Chart of Accounts - Assist in restructuring of the District's Funds and Chart of Accounts to conform with the Minimum Audit Requirements and Reporting Guidelines for California Special Districts and pooled cash.
D. Capital Accounting - Evaluate the District's process for project accounting and capital assets/recommend improvements.
E. Provide monthly on-call assistance with needed financial accounting and reporting.

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT
SERVICES AGREEMENT**

THIS AGREEMENT is entered into as of the date last signed and dated below between Rancho Murieta Community Services District, a local government agency ("District"), and The Pun Group, a Limited Liability Partnership ("Contractor"), who agree as follows:

1. Scope of Work. Contractor shall perform the work and render the services described in the attached Exhibit A (the "Work"). Contractor shall provide all labor, services, equipment, tools, material and supplies required or necessary to properly, competently and completely perform the Work. Contractor shall determine the method, details and means of doing the Work.

2. Payment

a. District shall pay to Contractor a fee based on *[check one]*:

Contractor's time and expenses necessarily and actually expended or incurred on the Work in accordance with Contractor's fee schedule on the attached Exhibit A.

The fee arrangement described on the attached Exhibit A, if fixed fee.

There shall be no compensation for extra or additional work or services by Contractor unless approved in advance in writing by District. Contractor's fee includes all of Contractor's costs and expenses related to the Work.

b. At the end of each month, Contractor shall submit to District an invoice for the Work performed during the preceding month. The invoice shall include a brief description of the Work performed, the dates of Work, number of hours worked and by whom (if payment is based on time), payment due, and an itemization of any reimbursable expenditures. If the Work is satisfactorily completed and the invoice is accurately computed, District shall pay the invoice within 30 days of its receipt.

3. Term

a. This Agreement shall take effect on the above date and continue in effect until June 30, 2020 or upon acceptance of completion of the Work, unless sooner terminated as provided below. Time is of the essence in this Agreement. If Exhibit A includes a Work schedule or deadline, then Contractor must complete the Work in accordance with the specified schedule or deadline, which may be extended by District for good cause shown by Contractor. If Exhibit A does not include a Work schedule or deadline, then Contractor must perform the Work diligently and as expeditiously as possible, consistent with the professional skill and care appropriate for the orderly progress of the Work.

b. This Agreement may be terminated at any time by District upon 10 days advance written notice to Contractor. In the event of such termination, Contractor shall be fairly compensated for all work performed to the date of termination as calculated by District based on the above fee and payment provisions. Compensation under this subsection shall not include any termination-related expenses, cancellation or demobilization charges, or lost profit associated with the expected completion of the Work or other such similar payments relating to Contractor's claimed benefit of the bargain.

4. Professional Ability of Contractor. Contractor represents that it is specially trained and experienced, and possesses the skill, ability, knowledge and certification, to competently perform the

Work provided by this Agreement. District has relied upon Contractor's training, experience, skill, ability, knowledge and certification as a material inducement to enter into this Agreement. All Work performed by Contractor shall be in accordance with applicable legal requirements and meet the standard of care and quality ordinarily to be expected of competent professionals in Contractor's field.

5. Conflict of Interest. Contractor (including principals, associates and professional employees) represents and acknowledges that (a) it does not now have and shall not acquire any direct or indirect investment, interest in real property or source of income that would be affected in any manner or degree by the performance of Contractor's services under this agreement, and (b) no person having any such interest shall perform any portion of the Work. The parties agree that Contractor is not a designated employee within the meaning of the Political Reform Act and District's conflict of interest code because Contractor will perform the Work independent of the control and direction of the District or of any District official, other than normal contract monitoring, and Contractor possesses no authority with respect to any District decision beyond the rendition of information, advice, recommendation or counsel.

6. Contractor Records

a. Contractor shall keep and maintain all ledgers, books of account, invoices, vouchers, canceled checks, and other records and documents evidencing or relating to the Work and invoice preparation and support for a minimum period of three years (or for any longer period required by law) from the date of final payment to Contractor under this Agreement. District may inspect and audit such books and records, including source documents, to verify all charges, payments and reimbursable costs under this Agreement.

b. In accordance with California Government Code section 8546.7, the parties acknowledge that this Agreement, and performance and payments under it, are subject to examination and audit by the California State Auditor for three years following final payment under the Agreement.

7. Ownership of Documents. All works of authorship and every report, study, spreadsheet, worksheet, plan, design, blueprint, specification, drawing, map, photograph, computer model, computer disk, magnetic tape, CAD data file, computer software and any other document or thing prepared, developed or created by Contractor under this Agreement and provided to District ("Work Product") shall be the property of District, and District shall have the rights to use, modify, reuse, reproduce, publish, display, broadcast and distribute the Work Product and to prepare derivative and additional documents or works based on the Work Product without further compensation to Contractor or any other party. Contractor may retain a copy of any Work Product and use, reproduce, publish, display, broadcast and distribute any Work Product and prepare derivative and additional documents or works based on any Work Product; provided, however, that Contractor shall not provide any Work Product to any third party without District's prior written approval, unless compelled to do so by legal process. If any Work Product is copyrightable, Contractor may copyright the same, except that, as to any Work Product that is copyrighted by Contractor, District reserves a royalty-free, nonexclusive and irrevocable license to use, reuse, reproduce, publish, display, broadcast and distribute the Work Product and to prepare derivative and additional documents or works based on the Work Product. If District reuses or modifies any Work Product for a use or purpose other than that intended by the scope of work under this Agreement, then District shall hold Contractor harmless against all claims, damages, losses and expenses arising from such reuse or modification. For any Work Product provided to District in paper format, upon request by District at any time (including, but not limited to, at expiration or termination of this Agreement), Contractor agrees to provide the Work Product to District in a readable, transferable and usable electronic format generally acknowledged as being an industry-standard format for information exchange between computers (e.g., Word file, Excel spreadsheet file, AutoCAD file).

8. Compliance with Laws

a. General. Contractor shall perform the Work in compliance with all applicable federal, state and local laws and regulations. Contractor shall possess, maintain and comply with all federal, state and local permits, licenses and certificates that may be required for it to perform the Work. Contractor shall comply with all federal, state and local air pollution control laws and regulations applicable to the Contractor and its Work (as required by California Code of Regulations title 13, section 2022.1). Contractor shall be responsible for the safety of its workers and Contractor shall comply with applicable federal and state worker safety-related laws and regulations.

b. Pre- and Post-Construction Related Work

(1) Applicability. This subsection (b) applies if the Work includes labor performed during the design and pre-construction phases of construction, including, but not limited to, inspection and land surveying work, and labor performed during the post-construction phases of construction, including, but not limited to, cleanup work at the jobsite. (See California Labor Code section 1720(a).) If the Work includes some labor as described in the preceding sentence and other labor that is not, then this subsection (b) applies only to workers performing the pre-construction and post-construction work.

(2) Contractor shall comply with the California Labor Code provisions concerning payment of prevailing wage rates, penalties, employment of apprentices, hours of work and overtime, keeping and retention of payroll records, and other requirements applicable to public works as may be required by the Labor Code and applicable state regulations. (See California Labor Code division 2, part 7, chapter 1 (sections 1720-1861), which is incorporated in this Agreement by this reference.) The state-approved prevailing rates of per diem wages are available at <http://www.dir.ca.gov/oprl/DPreWageDetermination.htm>. Contractor also shall comply with Labor Code sections 1775 and 1813, including provisions that require Contractor to (a) forfeit as a penalty to District up to \$200 for each calendar day or portion thereof for each worker (whether employed by Contractor or any subcontractor) paid less than the applicable prevailing wage rates for any labor done under this Agreement in violation of the Labor Code, (b) pay to each worker the difference between the prevailing wage rate and the amount paid to each worker for each calendar day or portion thereof for which the worker was paid less than the prevailing wage, and (c) forfeit as a penalty to District the sum of \$25 for each worker (whether employed by Contractor or any subcontractor) for each calendar day during which the worker is required or permitted to work more than 8 hours in any one day and 40 hours in any one calendar week in violation of Labor Code sections 1810 through 1815.

c. Maintenance of Public Facility, Plant or Structure

(1) Applicability. This subsection (c) applies if the Work includes "maintenance" work. "Maintenance" means (a) routine, recurring and usual work for the preservation, protection and keeping of any District facility, plant, building, structure, utility system or other property ("District Facility") in a safe and continually usable condition, (b) carpentry, electrical, plumbing, glazing, touchup painting, and other craft work designed to preserve any District Facility in a safe, efficient and continuously usable condition, including repairs, cleaning and other operations on District machinery and equipment, and (c) landscape maintenance. "Maintenance" excludes (a) janitorial or custodial services of a routine, recurring or usual nature, and (b) security, guard or other protection-related services. (See California Labor Code section 1771 and 8 California Code of Regulations section 16000.) If the Work includes some "maintenance" work and other work that is not "maintenance," then this subsection (c) applies only to workers performing the "maintenance" work.

(2) Contractor shall comply with the California Labor Code provisions concerning payment of prevailing wage rates, penalties, keeping and retention of payroll records, and other prevailing wage and related requirements as may be required by the Labor Code section 1771 and applicable state regulations. The state-approved prevailing rates of per diem wages are available at <http://www.dir.ca.gov/oprl/DPreWageDetermination.htm>. Contractor also shall comply with Labor Code section 1775, including provisions that require Contractor to (a) forfeit as a penalty to District up to \$200 for each calendar day or portion thereof for each worker (whether employed by Contractor or any subcontractor) paid less than the applicable prevailing wage rates for any Work done under this Agreement in violation of the Labor Code, and (b) pay to each worker the difference between the prevailing wage rate and the amount paid to each worker for each calendar day or portion thereof for which the worker was paid less than the prevailing wage.

9. Indemnification. Contractor shall indemnify, defend, protect, and hold harmless District, and its officers, employees and agents from and against any claims, liability, losses, damages and expenses (including attorney, expert witness and Contractor fees, and litigation costs) that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of Contractor or its employees, agents or subcontractors. The duty to indemnify, including the duty and the cost to defend, is limited as provided in this section. However, this indemnity provision will not apply to any claims, liability, losses, damages and expenses arising from the sole negligence or willful misconduct of District or its employees or agents. Contractor's obligations under this indemnification provision shall survive the termination of, or completion of Work under, this Agreement.

10. Insurance

a. Types & Limits. Contractor at its sole cost and expense shall procure and maintain for the duration of this Agreement the following types and limits of insurance:

<i>Type</i>	<i>Limits</i>	<i>Scope</i>
Commercial general liability	\$1,000,000 per occurrence & \$2,000,000 aggregate	at least as broad as ISO CG 0001
Automobile liability	\$1,000,000 per accident	at least as broad as ISO CA 0001, code 1 (any auto)
Workers' compensation	statutory limits	
Employers' liability	\$1,000,000 per accident	
Professional liability*	\$1,000,000 per claim	

*Required only if Contractor is a licensed engineer, land surveyor, geologist, architect, doctor or attorney.

b. Other Requirements. The general and automobile liability policy(ies) shall be endorsed to name District, its officers, employees, volunteers and agents as additional insureds regarding liability arising out of the Work. Contractor's coverage shall be primary and apply separately to each insurer against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability. District's insurance or self-insurance, if any, shall be excess and shall not contribute with Contractor's insurance. Each insurance policy shall be endorsed to state that coverage shall not be canceled, except after 30 days (10 days for non-payment of premium) prior written notice to District. Insurance is to be placed with admitted insurers with a current A.M. Best's rating of A-VII or better unless otherwise acceptable to District. Workers' compensation insurance issued by the State Compensation Insurance Fund is acceptable. Contractor agrees to waive subrogation that any insurer may acquire from Contractor by virtue of the payment of any loss relating to the Work. Contractor agrees to obtain any endorsement that may be necessary to implement this subrogation waiver. The workers' compensation policy must be endorsed to contain a subrogation waiver in favor of District for the Work performed by Contractor.

c. **Proof of Insurance.** Upon request, Contractor shall provide to District the following proof of insurance: (a) certificate(s) of insurance evidencing this insurance; and (b) endorsement(s) on ISO Form CG 2010 (or insurer's equivalent), signed by a person authorized to bind coverage on behalf of the insurer(s), and certifying the additional insured coverage.

11. **Entire Agreement; Amendment.** The parties intend this writing to be the sole, final, complete, exclusive and integrated expression and statement of the terms of their contract concerning the Work. This Agreement supersedes all prior oral or written negotiations, representations, contracts or other documents that may be related to the Work, except those other documents (if any) that are expressly referenced in this Agreement. This Agreement may be amended only by a subsequent written contract approved and signed by both parties.

12. **Independent Contractor.** Contractor's relationship to District is that of an independent contractor. All persons hired by Contractor and performing the Work shall be Contractor's employees or agents. Contractor and its officers, employees and agents are not District employees, and they are not entitled to District employment salary, wages or benefits. Contractor shall pay, and District shall not be responsible in any way for, the salary, wages, workers' compensation, unemployment insurance, disability insurance, tax withholding, and benefits to and on behalf of Contractor's employees. Contractor shall, to the fullest extent permitted by law, indemnify District, and its officers, employees, volunteers and agents from and against any and all liability, penalties, expenses and costs resulting from any adverse determination by the federal Internal Revenue Service, California Franchise Tax Board, other federal or state agency, or court concerning Contractor's independent contractor status or employment-related liability.

13. **Assignment.** This Agreement and all rights and obligations under it are personal to the parties. The Agreement may not be transferred, assigned, delegated or subcontracted in whole or in part, whether by assignment, subcontract, merger, operation of law or otherwise, by either party without the prior written consent of the other party. Any transfer, assignment, delegation, or subcontract in violation of this provision is null and void and grounds for the other party to terminate the Agreement. District consents to Contractor's use of a subcontractor if that use is described in Exhibit A.

14. **No Waiver of Rights.** Any waiver at any time by either party of its rights as to a breach or default of this Agreement shall not be deemed to be a waiver as to any other breach or default. No payment by District to Contractor shall be considered or construed to be an approval or acceptance of any Work or a waiver of any breach or default.

15. **Severability.** If any part of this Agreement is held to be void, invalid, illegal or unenforceable, then the remaining parts will continue in full force and effect and be fully binding, provided that each party still receives the benefits of this Agreement.

16. **Governing Law and Venue.** This Agreement will be governed by and construed in accordance with the laws of the State of California. The county and federal district court where District's office is located shall be venue for any state and federal court litigation concerning the enforcement or construction of this Agreement.

17. **Notice.** Any notice, demand, invoice or other communication required or permitted to be given under this Agreement must be in writing and delivered either (a) in person, (b) by prepaid, first class U.S. mail, (c) by a nationally-recognized commercial overnight courier service that guarantees next day delivery and provides a receipt, or (d) by email with confirmed receipt. Such notices, etc. shall be addressed as follows:

District: General Manager Rancho Murieta Community Services District P.O. Box 1050 15160 Jackson Road Rancho Murieta, CA 95683	Contractor: The Pun Group, LLP 2121 N. California Blvd., Suite 290 Walnut Creek, CA 94596
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Notice given as above will be deemed given (a) when delivered in person, (b) three days after deposited in prepaid, first class U.S. mail, (c) on the date of delivery as shown on the overnight courier service receipt, or (d) upon the sender's receipt of an email from the other party confirming the delivery of the notice, etc. Any party may change its contact information by notifying the other party of the change in the manner provided above.

RANCHO MURIETA COMMUNITY
SERVICES DISTRICT

CONTRACTOR

Dated: _____

Dated: April 1, 2019

By: _____
Mark Martin
General Manager

By: 

Vanessa I. Burke, CPA

Partner
_____ [title]

Exhibit A

Proposed Milestones	Project Team Lead	Est. Hours	Est. Fee	Timing
Financial Accounting and Reporting:				
A. Monthly Close - Assist Controller with the current monthly closings through June 30, 2019 for the Proposed Tasks as identified in the table below.	Amber Vitale	-	Billed Hourly	By 11/30
B. Audit Readiness - Assist Controller in preparing required schedules and reconciliations to assist in readying the District for its FY 2018-19 audit*	Amber Vitale	-	Billed Hourly	By 11/30
C. Chart of Accounts - Assist in restructuring of the District's Funds and Chart of Accounts to conform with the Minimum Audit Requirements and Reporting Guidelines for California Special Districts and pooled cash.	Amber Vitale	10-30	\$1,750 - \$5,250	By 11/30
D. Capital Accounting - Evaluate the District's process for project accounting and capital assets/recommend improvements.	David Siris	25	\$5,000	By 11/30
*Assistance level will be determined once the external audit firm provides the list of required schedules.				
Ongoing Services:				
<ul style="list-style-type: none"> Provide monthly on-call assistance with needed financial accounting and reporting. 	All	-	Billed Hourly	Thru June 2020

Exhibit A

Milestone A - Financial Accounting and Reporting - Monthly CloseTasks:

Assist Controller with the current monthly closings through June 30, 2019 with the following accounts/reconciliations:

BS-4. Fund Balance True-Up

1. AR Adjustments

2. AR Replacement Reserve Liability

12. Payments Received

15. CFD Entries

16. Property tax revenue

20. Sacramento County Tax Distribution

23. Reserve Transfers #1-Water

24. Reserve Transfers #2-Sewer

25. Reserve Transfers #3-Security

26. Reserve Transfer #4-Admin Allocations

27. Reserve Transfer #5-Water Augmentation

28. Capital Improvement Transfer #1-Water

29. Bond Payments - CFD#2014-1

30. Depreciation Expense (FA Module)

31. Water/Sewer/Drainage Benefit Cash Allocation

35. CIA Ditch Invoice - AR Billing

36. Miscellaneous adjustment (OPAY Reallocation)



PROPOSAL

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

RANCHO MURIETA, CALIFORNIA

*Proposal to Perform Financial Accounting and Consulting
Services*

SEPTEMBER 9, 2019

Vanessa I. Burke, CPA, CPFO

Partner

2121 North California Boulevard, Suite 290, Walnut Creek, California 94596

Phone: (949) 777-8800 | **Fax:** (949) 777-8850 | **Email:** ken.pun@pungroup.com

California CPA License Number: PAR 7601

Federal Identification Number: 46-4016990



RANCHO MURIETA COMMUNITY SERVICES DISTRICT

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September 9, 2019

Rancho Murieta Community Services District
Attn: Mark Martin, General Manager
P.O. Box 1050
15160 Jackson Road
Rancho Murieta, CA 95683

Dear Mr. Martin:

We would like to take this opportunity to *thank you for the confidence and continued support* of The Pun Group, LLP ("Firm") and our services to the Rancho Murieta Community Services District ("District").

Previously our Firm responded to your initial request for proposal to perform selected accounting services limited to the following areas identified in the RFP:

- Reconciliation of District records to the general ledger and budget for certain financial statement accounts through February 28, 2019
- Analyze accrual and other adjusting entries and provide recommended processes
- Develop recommendations for a new process / migration to new processes in other areas of accounting
- Recommend improved / best practice accounting processes to include reporting out of Great Plains
- Assist staff to complete the 2019-20 budget report generated out of the Great Plains tool by May 1, 2019

The Firm initially began the project work in early April and has successfully completed closing the above records through February 28, 2019. Through this process, the District has restored its ability to produce monthly financial statements within the system and produced and adopted a budget for 2019-20. In conjunction with this project, the Firm identified several areas that we felt are opportunities for strengthening the District's internal controls over financial reporting, and improving other financial operating processes and procedures as further described in our report to you. These recommendations as presented were ranked in order of importance as: critical, important and good practice in terms of the District's ability to prevent, detect, or correct financial statement errors or fraud on a timely basis.

Upon further discussions with management on prioritization, and at the direction of the Board of Directors, we are pleased to submit our proposal to continue our assistance to the District in its efforts to remediate many of the areas of our report where the District desires additional outside assistance and resources.

We feel strongly that the Firm is the right choice for the District because:

Experience with the District. Through our last project with you, we were able to gain a deep understanding of the financial accounting processes and procedures in their current state. Having this experience is tantamount to understanding the shifts that are required to assist the District in the continued improvements of its fiscal transparency and accountability. Some of these shifts could be substantial and require a firm with expertise in Special Districts in California and knowledge of your operations to assure the transition occurs smoothly and that business is not interrupted. We believe we are that firm.

Strong Presence in California. Currently, we are the firm of choice for special districts and agencies such as Alameda County Water District, Arbutle Public Utility District, Casitas Municipal Water District, Central Basin Municipal Water District, Las Virgenes Municipal Water District, Marina Coast Water District, Twenty-Nine Palms Water District, Shasta Regional Transportation Agency, Valley Sanitary District, Water Replenishment District of Southern California, West County Agency, and several others. Accordingly, we have a deep understanding of the current demographic, economic environment, and local laws and regulations in which you operate.

Rancho Murieta Community Services District
September 9, 2019

Recognized Leader in the Governmental Industry. The Pun Group is a proven leader in professional services to the government sector. Currently, The Pun Group is the firm of choice for over 35 cities, **40 special districts**, and 5 transportation agencies throughout California. Such experience is critical to address emerging accounting and auditing issues within the government environment.

Our Commitment to Quality. The Firm is committed to providing piece of mind to our clients by providing the highest quality of professional services. The Firm is a member of the AICPA Governmental Audit Quality Center and has demonstrated our commitment to quality, including our services performed under *Government Auditing Standards*.

I will serve as your primary contact for contract negotiations and stand steadfast to serve as your engagement partner.

Should you have any questions or wish to discuss this proposal, please do not hesitate to contact me, as the assigned engagement partner at Vanessa.burke@pungroup.com or (925) 974-3394. Thank you, and we look forward to the opportunity.

A handwritten signature in black ink that reads "Vanessa Burke". The signature is written in a cursive style with a large, sweeping initial "V".

Vanessa I. Burke, CPA, CPFO
Partner
The Pun Group, LLP

License to Practice in California

The Firm and all key professional staff are licensed by the State of California to practice as Certified Public Accountants, and meet the Continuing Professional Education requirements under U.S. GAO's Government Auditing Standards to perform the proposed audits.



Independence

When required, the Firm's employees adhere to strict independence standards in relation to the Firm's clients. These independence standards exceed, in many instances, the standards promulgated by the American Institute of Certified Public Accountants (AICPA). This project will be conducted under the AICPA Standards for Consulting Standards which requires Independence when performing consulting services for an attest (i.e. audit) client.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Executive Summary

Firm Qualifications and Experience

The Pun Group, LLP, Certified Public Accountants and Business Advisors, founded in 2012, is a limited liability partnership. We are a full-service accounting firm comprised of forty (40) professionals providing auditing, accounting, and advisory services to our clients.

The Firm's headquarter is located in Orange County, California with four additional offices in San Diego (California), Walnut Creek (California), Las Vegas (Nevada), and Phoenix (Arizona).

The combination of our hands-on experience and practical knowledge exercised by our professionals make the Firm unique in our field. Our technical expertise and thorough understanding of current regulations and issues—along with the Firm's commitment to hard work, integrity, and teamwork on every engagement—enable us to help our clients succeed.

Our Partners' Group—which includes Kenneth H. Pun, Frances J. Kuo, John F. Georger, Jr., Gary M. Caporicci, Vanessa I. Burke, Coley Delaney, and Heidi K. Chow—provide auditing, accounting, and advisory services to numerous governmental entities throughout the United States. With more than one hundred (100) years of combined experience in the industry, we have become a trusted business partner, and are well-respected as leaders in the industry in one of the fastest growing firms. With nearly 100 government clients, and Partners who have a real passion for the industry, we believe we are unmatched regarding expertise.

All our partners actively participate in industry associations focused on state and local governments. By participating in industry associations and activities, we are always up to date on the latest industry changes and the impact they will have on your operations. We keep you, and our colleagues in the Firm, fully informed of these developments. Our team is committed to bringing the full breadth and depth of our expertise to the District offering outstanding value to you and your stakeholders. Our Managing Partner has published several thought leadership articles in the California State Municipal Finance Office magazine on auditing and other relevant topics.

A team of experienced accountants and financial professionals, The Pun Group, LLP seeks to provide dependable, tailored service to businesses across a wide spectrum.

Our *Walnut Creek* office, located at 2121 North California Boulevard, Suite 290, Walnut Creek, CA 94596 will perform the requested services for the District. However, we may assign additional staff from our other offices to the engagement based on the project requirements and expertise needed.

While many accounting Firms can perform the services requested, not all can build an excellent working relationship with their clients. The Pun Group, LLP prides itself on developing lasting, personal relationships with our clients. Our hands-on partner involvement and low personnel turnover are crucial tools to our success and highly beneficial to the District.

Affiliation with Allinial Global (Global Capabilities)



The Pun Group, LLP is an independent member of Allinial Global, an association of over 100 independent accounting and consulting firms. Based in North America, Allinial Global offers international support by connecting its member firms to providers and global networks of accounting firms worldwide.

Memberships

The Pun Group, LLP is a member of the following professional organizations:

- America Institute of Certified Public Accountants (AICPA)
- AICPA Government Audit Quality Center (GAQC)
- AICPA Employee Benefit Plan Audit Quality Center (EBPAQC)
- AICPA Private Companies Practice Section (PCPS)
- California Society of Certified Public Accountants (CalCPA)

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Executive Summary

Our Services

Our partners and seasoned professionals are always available, guiding clients through their periods of rapid growth as well as the difficult times. And we're able to do that by offering a portfolio of accounting services that is as diverse as the jurisdictions and agencies themselves. The Pun Group, LLP has successfully provided professional auditing, accounting, financial reporting and management advisory/consulting services to a broad spectrum of governmental entities.



ASSURANCE

- Financial statement audits
- Compliance audits
- Performance audits
- Internal audits
- Service organization controls audits



ADVISORY

- Operational reviews/risk advisory services
- Forensic investigation
- Financial condition analysis
- Organizational structure review
- Cash flow analysis
- Debt restructuring consultation
- Litigation support and expert witness services



OTHER SERVICES

- Assistance with the preparation and review of the Comprehensive Annual Financial Report (CAFR)
- Government property lease excise tax compliance review
- Subrecipient monitoring
- Implementation of new GASB pronouncements
- Audit readiness services
- Accounting / write-up services
- Contract Finance Director / Accountant services

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Executive Summary

Firm's Government Clients

The Pun Group, LLP has provided services to many governmental organizations. All of our audits are performed in accordance with auditing standards generally accepted in the United States, Government Auditing Standards, Uniform Guidance (formerly known as OMB Circular A-133) and its Compliance Supplement (when applicable), Office of the State Controller's Minimum Audit Requirements and Reporting Guidelines for California Special Districts. A representative list follows:

Municipalities	Dates	Financial Audit	Single Audit	GFOA Certificate	Total Hours
City of Arvin	2013 – Present	Yes	Yes	N/A	400
City of Bell	2018 – Present	Yes	Yes	Yes	520
City of Beaumont	2017 – Present	Yes	Yes	N/A	425
City of Bradbury	2012 – Present	Yes	N/A	N/A	150
City of Calexico	2007 – Present	Yes	Yes	N/A	750
City of Cerritos	2009 – Present	Yes	Yes	Yes	400
City of Clovis	2006 – Present	Yes	Yes	Yes	400
City of Coachella	2017 – Present	Yes	Yes	Yes	410
City of Cottonwood, AZ	2007 – Present	Yes	Yes	Yes	400
City of Culver City	2016 – Present	Yes	Yes	Yes	535
Town of Danville	1999 – Present	Yes	Yes	Yes	300
City of Desert Hot Springs	2013 – Present	Yes	N/A	N/A	500
City of Encinitas	2014 – Present	Yes	Yes	Yes	350
City of Escondido	2016 – Present	Yes	Yes	Yes	400
City of Gardena	2007 – Present	Yes	Yes	Yes	700
City of Glendora	2017 – Present	Yes	Yes	Yes	430
City of Gustine	2017 – Present	Yes	N/A	N/A	400
City of Hemet	2015 – Present	Yes	Yes	N/A	380
City of Hermosa Beach	2004 – Present	Yes	N/A	Yes	200
City of Huntington Park	2015 – Present	Yes	Yes	N/A	650
City of Industry	2015 – Present	Yes	Yes	Yes	600
City of Laguna Niguel	2016 – Present	Yes	Yes	Yes	390
City of Lakewood	2013 – Present	Yes	Yes	Yes	380

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Executive Summary

Municipalities	Dates	Financial Audit	Single Audit	GFOA Certificate	Total Hours
City of Lodi	2018 – Present	Yes	Yes	Yes	760
City of Lynwood	2016 – Present	Yes	Yes	Yes	585
City of Monterey	2016 – Present	Yes	Yes	Yes	620
City of Morro Bay	2015 – Present	Yes	Yes	N/A	400
City of National City	2013 – Present	Yes	Yes	Yes	600
City of Patterson	2017 – Present	Yes	Yes	Yes	450
City of Placentia	2016 – Present	Yes	Yes	Yes	620
City of Placerville	2008 – Present	Yes	Yes	N/A	350
City of Pomona	2016 – Present	Yes	Yes	Yes	650
City of Redding	2016 – Present	Yes	Yes	Yes	500
City of Ridgecrest	2009 – Present	Yes	Yes	Yes	300
City of San Bernardino	2015 – Present	Yes	Yes	N/A	3,000
City of Seal Beach	2017 – Present	Yes	Yes	Yes	410
City of Shafter	2017 – Present	Yes	Yes	Yes	400
City of South Gate	2016 – Present	Yes	Yes	Yes	480
City of Stockton	2012 – Present	Yes	Yes	N/A	2,500
Imperial County Transportation Authority	2018 – Present	Yes	Yes	N/A	750
San Diego Metropolitan Transit System	2005 – Present	Yes	Yes	Yes	1,850
Shasta Regional Transportation Agency	2015 – Present	Yes	N/A	N/A	200
Ventura County Railroad Company, LLC	2015 – Present	Yes	N/A	N/A	60
Ventura County Transportation Commission	2015 – Present	Yes	Yes	Yes	400
Adelanto Public Utility Authority	2018 – Present	Yes	N/A	N/A	165
Alameda County Water District	2018 – Present	Yes	Yes	N/A	585
Altadena Library District	2015 – Present	Yes	N/A	N/A	90
Antelope Valley State Water Contractors Association	2015 – Present	Yes	N/A	N/A	40
Barstow Heights Community Services District	2015 – Present	Yes	N/A	N/A	40
Big Bear City Community Services District	2015 – Present	Yes	N/A	N/A	200
Casitas Municipal Water District	2015 – Present	Yes	N/A	N/A	230

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Executive Summary

Municipalities	Dates	Financial Audit	Single Audit	GFOA Certificate	Total Hours
Central Basin Water District	2018 – Present	Yes	Yes	N/A	400
Coachella Valley Resource Conservation District	2016 – Present	Yes	N/A	N/A	50
Desert Recreation District	2015 – Present	Yes	N/A	N/A	150
Desert Recreation Foundation	2015 – Present	Yes	N/A	N/A	40
East Orange County Water District	2015 – Present	Yes	N/A	N/A	130
El Toro Water District	2015 – Present	Yes	N/A	N/A	270
Encinitas Ranch Golf Authority	2015 – Present	Yes	N/A	N/A	100
Fallbrook Healthcare District	2008 – Present	Yes	N/A	N/A	75
Golden Hills Community Services District	2016 – Present	Yes	N/A	N/A	180
Las Virgenes Municipal Water District	2014 – Present	Yes	N/A	N/A	300
Los Angeles Waterkeeper	2016 – Present	Yes	N/A	N/A	100
Marina Coast Water District	2012 – Present	Yes	N/A	Yes	240
Menlo Park Fire Protection District	2015 – Present	Yes	Yes	Yes	240
Newport Coast Elementary School Foundation	2010 – Present	Yes	N/A	N/A	20
North County Fire Protection District	2015 – Present	Yes	N/A	N/A	120
North County Dispatch JPA	2015 – Present	Yes	N/A	N/A	60
Orange County Coastkeeper	2015 – Present	Yes	N/A	N/A	60
Palmdale Water District	2015 – Present	Yes	N/A	N/A	180
Palos Verdes Library District	2015 – Present	Yes	N/A	N/A	110
Port of Hueneme - Oxnard Harbor District	2015 – Present	Yes	N/A	Yes	250
Rancho Santa Fe Fire Protection District	2015 – Present	Yes	N/A	N/A	120
Riverside County Flood Control and Water Conservation District	2015 – Present	Yes	N/A	Yes	250
San Bernardino County Fire Protection District	2016 – Present	Yes	N/A	N/A	200
San Diego Coastkeeper	2015 – Present	Yes	N/A	N/A	75
San Dieguito Water District	2014 – Present	Yes	N/A	N/A	75
San Elijo Joint Powers Authority	2016 – Present	Yes	N/A	N/A	146
South Orange County Water Authority	2017 – Present	Yes	Yes	Yes	240
South Bay Regional Public Communications Authority	2015 – Present	Yes	N/A	N/A	100

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Executive Summary

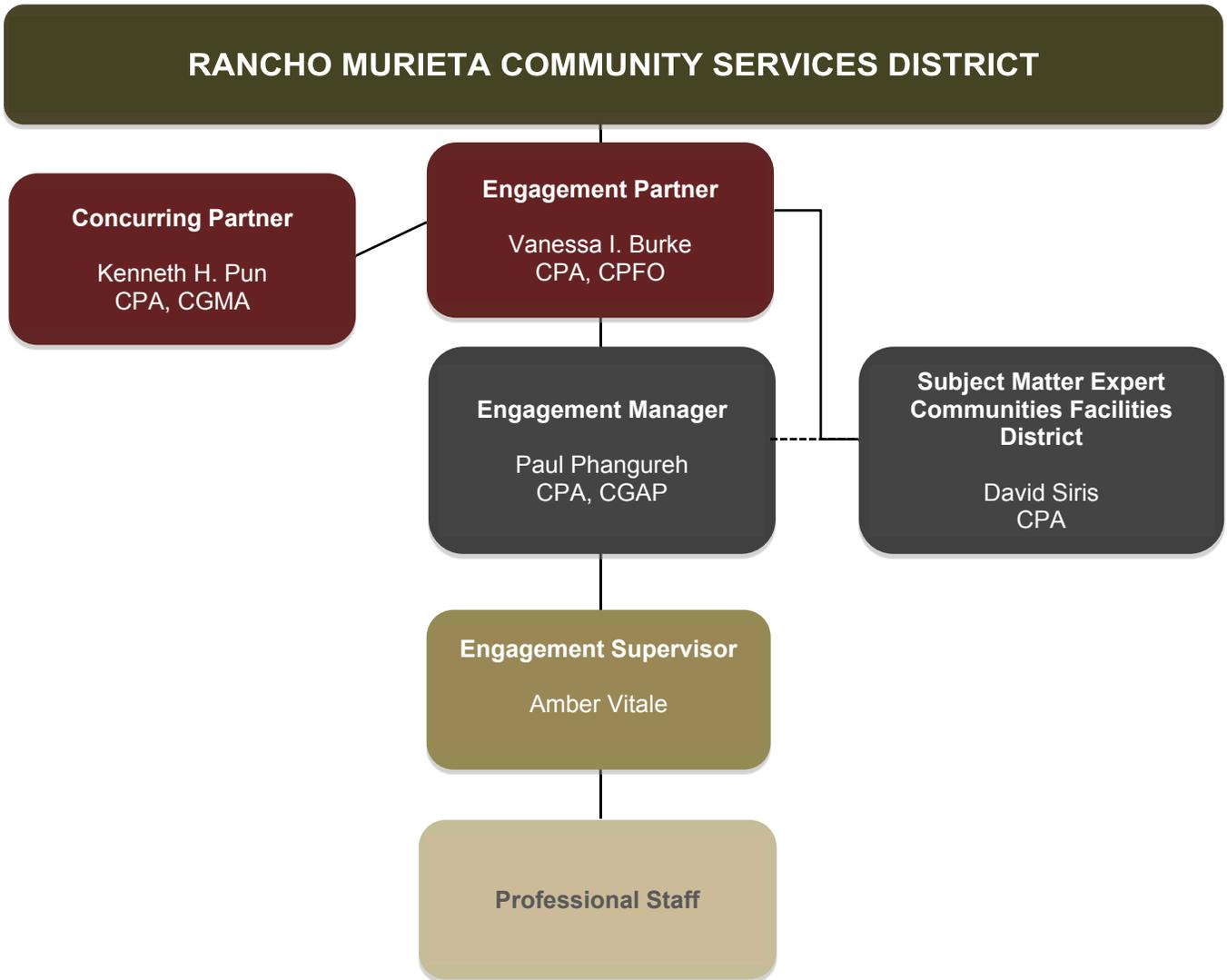
Municipalities	Dates	Financial Audit	Single Audit	GFOA Certificate	Total Hours
Southwestern Community College District	2009 – Present	Yes	Yes	N/A	720
Tehacapi Valley Recreation & Park District	2016 – Present	Yes	N/A	N/A	50
The Farm Mutual Water Company	2015 – Present	Yes	N/A	N/A	170
Trabuco Canyon Water District	2015 – Present	Yes	N/A	N/A	200
Twentynine Palms Water District	2016 – Present	Yes	N/A	N/A	160
Valley Sanitary District	2015 – Present	Yes	N/A	Yes	140
Water Replenishment District of Southern California	2019 – Present	Yes	N/A	N/A	400
West County Agency	2015 – Present	Yes	N/A	N/A	55
West County Wastewater District	2015 – Present	Yes	N/A	N/A	240
West Valley Mosquito And Vector Control District	2016 – Present	Yes	N/A	N/A	100
Alliance Medical Center	2013 – Present	Yes	N/A	N/A	300
Anderson Valley Health Clinic	2012 – Present	Yes	N/A	N/A	200
Desert Hot Springs Health and Wellness Foundation	2013 – Present	Yes	N/A	N/A	100
Family Health Centers of San Diego	2009 – Present	Yes	Yes	Yes	600
Industry Convalescent Hospital	2015 – Present	Yes	N/A	N/A	230
Marin City Health and Wellness Center	2010 – Present	Yes	Yes	N/A	110
Mountain Valleys Health Centers	2015 – Present	Yes	Yes	N/A	200
Redwood Coast Medical Services	2008 – Present	Yes	Yes	N/A	200
Shingletown Medical Center	2013 – Present	Yes	Yes	N/A	190
Tulare Community Health Clinic / Altura Centers	2008 – Present	Yes	Yes	N/A	200

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Our Professionals

Partner, Supervisory and Staff Qualifications and Experience

The Engagement Team has been carefully chosen to provide the District with all the services needed to successfully complete the scope of services. The personnel assigned to this engagement are fully qualified to perform financial accounting and consulting services to the District, and their extensive experience will be critical to the process. Our professionals are familiar with the complexities of governmental accounting, auditing, and financial reporting, including but not limited to, all GASB pronouncements, the Single Audit Act, Uniform Guidance (formerly known as OMB Circular A-133), and fund budgeting and operations. You can be assured that the Engagement and Concurring Partners will be personally involved.



RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Our Professionals

Vanessa I. Burke, CPA, CPFO | Engagement Partner

Vanessa Burke is an Assurance and Consulting Services Partner with over 30 years of extensive experience in providing audit and advisory services to federal, state and local government agencies including public pension plans, state departments, cities, community colleges, hospitals, school districts, county offices of education, special districts, and joint powers insurance authorities. She has previously held positions in government and the private sector as a Controller and CFO where she served on the leadership team and managed budgets and financial reporting for government organizations with budgets in excess of \$650 million and finance departments with over 100 employees. She will actively act as the Engagement Partner with the assigned task of directly overseeing the Engagement Team, engagement planning, project execution, review for quality, and approving any working papers and reports. She will be responsible for the timely delivery of all services for the Rancho Murieta Community Services District.

Kenneth H. Pun, CPA, CGMA | Concurring Partner

With over seventeen (17) years of public accounting experience, Kenneth Pun is the Assurance Partner and the Partner In-Charge of the Governmental and Not-for-Profit Practice at the Firm. Mr. Pun specializes in audits and management consulting for governmental organizations. Ken will provide Vanessa with a second partner review of significant high-risk areas, and in resolution of significant accounting, auditing, and reporting matters to ensure overall quality of our services.

Paul Phangureh, CPA | Engagement Manager

Paul Phangureh is an Assurance Services Manager in the Firm whose extensive auditing experience includes cities, counties, and special districts. Mr. Phangureh will work closely with partners to develop the final project work plan, direct the engagement team in its project activities and tasks, monitor and communicate the project status, review work and supervise staff and resolving technical issues that may arise.

David Siris, CPA | Subject Matter Expert – Community Facilities District (“CFD”) Accounting

David Siris is an Assurance Services Manager in the Firm whose extensive auditing experience includes cities, counties, special districts, and not-for-profit entities. Mr. Siris was also instrumental in the City of Beaumont’s CFD Accounting and Transaction study. The City of Beaumont has one CFD with many underlying Infrastructure Districts that were subject to a significant fraud in the State of California and SEC oversight. Mr. Siris worked as a consultant on the city-commissioned report which took more than six months in the making. It involved tracking down thousands of bond expenditures ostensibly made to pay for sewers, streets, sidewalks and other public works needed as the city’s population more than quadrupled and involved inspecting nearly 68,500 individual records. As a seasoned expert in bonds, Mr. Siris will lead and supervise the project team in the study of the District’s CFD 2014-01 Bond transactions.

Amber Vitale | Engagement Supervisor

Working as an Engagement Supervisor, Amber will assist the project team with primarily responsibility to perform accounting reconciliations, closing task, and preparing required schedules and reconciliations to assist in readying the District for its FY 2018-19 audit. This will include working with the District Controller to review and complete account reconciliations, evaluate and complete gaps in the month end/year end closing, perform general ledger reconciliations, prepare financial statement schedules and footnote support, business analysis and statistics. She also will be responsible for evaluating and recommending any further process improvement in financial accounting and reporting, including improved best practice accounting process to include the generation of reports out of the Great Plains tool. Last, Amber will assist the Partners on the policy project and organizational assessment.

Professional Staff

Professional staff will be assigned during the project planning phase to prepare supporting documentation, reconciliations, and data gathering. All our professional staff are qualified to perform financial and compliance services to governmental agencies with a focus on quality of the work and timeliness of delivery. Because we support both staff development and engagement continuity, we encourage senior and staff accountants to take increased responsibilities on their previous engagements as they advance professionally.

Quality-Control System

Our Firm meticulously monitors the quality and contents of our work and reports. The Pun Group LLP is 100% committed to providing only the highest grade of work possible for our clients. The Firm strives to exceed professional industry standards because of the continuing respect for our clients and our emphasis on creating long-lasting relationships. The Pun Group LLP works exclusively with those who share the same moral integrity and values.

Our quality-control system was crafted with excellence in mind. It not only meets AICPA standards, but also matches our own elevated standards, which includes the following professional-development activities.

Engagement Team Resumes

The District deserves experienced professionals who work as a team. The Pun Group, LLP will provide qualified employees to perform the financial accounting services. Resumes for key Engagement Team members follow.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Our Professionals

Vanessa I. Burke, CPA*, CPFO
Engagement Partner



Vanessa I. Burke is an Engagement Partner with The Pun Group in their Northern California office. Vanessa brings to The Pun Group over 27 years of combined experience in auditing, consulting and finance. She has served clients in a variety of industries, including small to very large state and local governmental agencies, public pension plans, insurance companies, not-for-profits, healthcare, technology and manufacturing and distribution clients. Her career in public accounting was spent primarily with the National firms of Grant Thornton LLP, Moss Adams LLP, and PricewaterhouseCoopers LLP, and regional/local firms where she has specialized in government and not-for-profit auditing and accounting. Vanessa has also held executive leadership positions as both CFO and Controller in government and private industry where she has worked on financial restructurings, turnarounds, municipal bankruptcies, and distressed municipalities. In 2012, Vanessa was appointed as the Chief Financial Officer for the City of Stockton where she successfully navigated the finance and administrative services department through the City’s chapter 9 bankruptcy filing and testified on trial during the bankruptcy hearings.

Vanessa holds her CPA license in California and more recently achieved her certification as one of 650 Certified Public Finance Officer (CPFO) in the United States through the GFOA. The CPFO certification prepares individuals for financial leadership positions in local and state government and is designed to verify their knowledge in the disciplines of government finance including Governmental Accounting, Auditing and Financial Reporting, Treasury and Investment Management, Debt Management, Operating and Capital Budgeting, and Retirement & Benefits, Risk Management and Procurement.

Vanessa is a frequently sought-after speaker and has presented on a variety of technical and non-technical topics for the CalCPA, Women in Public Finance, American Society of Women Accountants, California State University San Francisco, Santa Clara University, California State Municipal Finance Officers, the League of California Cities, and Beta Alpha Psi.

EDUCATION

- Bachelors of Science, Business Administration, Accounting Concentration, from the California State University, Sacramento
- Licensed by the State of California (#67673) and Arizona (#18713)

PROFESSIONAL & CIVIC AFFILIATIONS

- Member, American Institute of Certified Public Accountants (AICPA)
- Member, California Society of Certified Public Accountants (CalCPA)
- Member, Association of Governmental Accountants (AGA)
- Member, Women in Public Finance (WPF)
- Co-Chair, CalCPA Education Foundation Annual Government Conference
- Member, CalCPA Governmental Accounting and Auditing Committee

RELEVANT PROJECT EXPERIENCE

• City of San Bernardino	• City of Oxnard
• City of Beaumont	• City of Patterson
• City of San Jose	• City of Folsom
• City of Clovis	• Presidio Trust
• California Public Employees Retirement System	• University of California, Single Audit
• University of California’s Pension Plans	• Nevada Public Employees Retirement Systems
• California Infrastructure Bank (iBank)	• California Energy Commission Energy Conservation Bonds

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Our Professionals

• Golden State Tobacco Securitization Corporation	• Ohlone College
• University of the Pacific, Single Audit	• Marin County Office of Education
• Sierra College	• Marysville Unified School District
• Cotati-Rohnert Park School District	• Various Joint Powers Authorities (CSAC-EIA, CAHLIF)

CONTINUING PROFESSIONAL EDUCATION

- ✓ Various courses offered by the Firm, online through Thompson Reuters, AICPA, CalCPA Education Foundation including:
 - 2017 Governmental Accounting and Auditing Conference (Chair)
 - 2016 Governmental Accounting and Auditing Conference (Co-Chair)
 - Ethics and Government Compliance
 - Advisory Growth & Quality Workshop
 - Ethics for California CPA's
 - Fraud I: Prevention
 - Independence Training for New Hires (SEC)
 - Independence Training, Ethics in Practice
 - Audit Evidence
 - Introduction to Auditing Standards
 - Management Representation Letters (SEC)
 - Understanding and Evaluating Management Representation Letters (SEC)
 - Information Technology General Control, Evaluating Deficiencies
 - Internal Control – Business Processes and Control Activities
 - 2016 State and Local Government Accounting and Auditing Update
 - Business Writing for Results
 - Personal Independence Compliance Training for Partners
 - Respect in the Workplace
- ✓ Has met the current CPE educational requirements to perform audits of governmental agencies.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Our Professionals

Kenneth H. Pun, CPA*, CGMA
Engagement Partner



Kenneth H. Pun is the Managing Partner and the Director of the Governmental and Not-for-Profit Practice within The Pun Group, LLP’s Assurance division.

Prior to founding his own practice, Ken was employed by Caporicci & Larson, a specialty CPA firm recognized as one of California’s foremost experts in governmental and not-for-profit accounting, auditing, and advisory service. He started with the firm in 2001 and was promoted to Partner in 2008. Mr. Pun has performed numerous audits for cities, counties, transportation agencies, community college districts, other special districts, and not-for-profit healthcare entities of various sizes.

By leveraging more than seventeen years of public accounting experience with a high level of expertise, Ken is often engaged by clients as a result of premier level of service he provides, his commitment, and his innovative methods of increasing operational efficiencies and reducing costs. Mr. Pun is a trusted advisor and a leader of accounting services to governmental and not-for-profit organizations.

In addition to working with clients, Ken provides the audit teams with direction and technical guidance to ensure adherence to The Pun Group’s quality controls, and he assists with the development of the Assurance Services practice. Mr. Pun also speaks on topics related to audits and quality control and shares his expertise with clients through annual educational seminars.

EDUCATION

- BS Degree in Business Administration, Emphasis in Accounting from the University of California, Riverside
**Licensed by the State of California*

PROFESSIONAL & CIVIC AFFILIATIONS

- Member, American Institute of Certified Public Accountants (AICPA)
- Member, California Society of Certified Public Accountants (CalCPA)
- Member, CalCPA Governmental Accounting and Auditing Committee
- Member, CalCPA Governmental Accounting and Auditing Conference Planning Committee
- Member, Government Finance Officers Association (GFOA)
- Member, California Society of Municipal Finance Officers (CSMFO)
- Speaker, CSMFO Conference (2014)
- Instructor, CalCPA Fall Series (2014) – Long Beach and Orange County Chapter

RELEVANT PROJECT EXPERIENCE

• City of Arvin	• City of Arcadia
• City of Bradbury	• City of Calexico
• City of Carpinteria	• City of Cerritos
• City of Chula Vista	• City of Clearlake
• City of Clovis	• Town of Danville
• City of Desert Hot Springs	• City of Encinitas
• City of Fairfield	• City of Gardena
• City of Hemet	• City of Hermosa Beach
• City of Huntington Park	• City of Industry
• City of Lakewood	• City of Monterey Park
• City of Morro Bay	• City of National City
• City of Ridgecrest	• City of San Bernardino

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Our Professionals

•	•
• City of Stockton	• Alliance Medical Center
• Anderson Valley Health Clinic	• Centro Medico Community Clinic
• Desert Hot Springs Health and Wellness Foundation	• Family Health Centers of San Diego
• Industry Convalescent Hospital	• Marin City Health and Wellness Center
• McCloud Healthcare Clinic	• Mountain Valleys Health Centers
• Redwood Coast Medical Services	• Shingletown Medical Center
• Tulare Community Health Clinic	• United Health Centers of San Joaquin Valley
• Gold Coast Transit	• North County Transit District
• San Diego Metropolitan Transit System	• Shasta Regional Transportation Agency
• SunLine Transit Agency	• Las Virgenes Municipal Water District
• Las Virgenes-Triunfo Joint Powers Authority	• Encinitas Ranch Golf Authority

OTHER RELEVANT EXPERIENCE

City of Desert Hot Springs | During the year ended June 30, 2013, the City entered into a very complicated financial arrangement, New Market Tax Credit financing, for the construction of the Desert Hot Springs Health and Wellness Center. Our firm has provided guidance to the City in addressing complex accounting issues and helped drafting the stand-alone financial statements to fulfill the addition reporting requirements under the New Market Tax Credit financing.

City of Stockton | The City of Stockton filed a petition for Chapter 9 bankruptcy protection with the United States Bankruptcy Court on June 28, 2012, the largest municipality bankruptcy at the time. The Firm was engaged as audit liaison and advisor in 2012 for the City's 2011 audit. The City also engaged the Firm to help drafting the Comprehensive Annual Financial Report in accordance with U.S. GAAP and in compliance with GFOA guidelines for the certificate of achievement for excellence in financial reporting program.

With the superb services provided, the City of Stockton also engaged the Firm to provide audit service for the years ending June 30, 2012 through 2015 due to the early termination of the contract from its predecessor firm. Mr. Kenneth H. Pun has been assigned as the engagement partner who facilitated the audit process since then. The engagement team completed the audit and issued the audit reports for the year ended June 30, 2012 and 2013 within the one year timeframe.

San Diego Metropolitan Transit System ("MTS") | On January 1, 2003, California Senate Bill 1703 (SB 1703) became effective. SB 1703 required the consolidation of the planning and programming functions of MTS and the North County Transit District (City) into the San Diego Association of Governments (SANDAG) in an initial transfer to take place prior to July 1, 2003. SB 1703 also required the consolidation of certain project development and construction functions of MTS and City into SANDAG in a subsequent transfer to take place prior to January 30, 2004. The initial transfer occurred on July 1, 2003, and the subsequent transfer occurred on October 13, 2003. With these actions, employees were transferred from MTS and City to SANDAG, and certain planning, development, and construction functions were also transferred.

After the enactment of SB 1703, Mr. Kenneth H. Pun was able to convert MTS financial model from general-purpose government to stand-alone business-type activities government under GASB Statement No. 34 in 2007. By doing so, MTS has significantly improved their financial reporting.

CONTINUING PROFESSIONAL EDUCATION

- ✓ Various municipal accounting courses offered by the AICPA, CalCPA Education Foundation and local universities including:
 - Governmental and Nonprofit Annual Update
 - Government Auditing Standards
 - GASB Basic Financial Statements for State and Local Governments
 - Single Audits: Uniform Guidance (formerly OMB Circular A-133)
 - Financial Accounting Standards Board Annual Updates
 - Statement on Standards for Accounting and Review Services Updates
- ✓ Has met the current CPE educational requirements to perform audits of governmental agencies.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Our Professionals

Paul Phangureh, CPA, CGAP Engagement Manager



EXPERIENCE

Paul Phangureh is a Manager at The Pun group, LLP with nearly six (6) years of public accounting experience as an external financial auditor. His special expertise includes evaluating and testing internal controls over financial reporting; performing financial statement audits, including comprehensive annual financial reports (CAFR), and compliance audits, involving agreed on procedures (AUP) for Investment and GANN Limit reports.

Paul has a broad knowledge of performance and single audits, budgeting, and government accounting. His public accounting experience focuses on the public sector (i.e. municipalities, counties, and special districts).

Before joining the firm, Paul worked for regional and national firms specializing in public sector audits.

EDUCATION

MS Degree in Accountancy, emphasis in Financial Reporting, from the **San Diego State University**



EMAIL

paul.phangureh @pungroup.com



WEBSITE

www.pungroup.com



LEADERSHIP & AFFILIATIONS

- Member, American Institute of Certified Public Accountants (AICPA)
- Member, Association of Governmental Accountants (AGA)

RELEVANT EXPERIENCE

- City of San Jose
- City of Palo Alto
- City of Fremont
- City of Portola
- City of Hercules
- County of Santa Clara
- County of Contra Costa
- County of Monterey
- County of Marin
- County of Glenn

CONTINUING PROFESSIONAL EDUCATION

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

- Governmental and Nonprofit Annual Update
- Government Auditing Standards
- GASB Basic Financial Statements for State and Local Governments
- Single Audits: Uniform Guidance (formerly OMB Circular A-133)
- Financial Accounting Standards Board Annual Updates
- Statement on Standards for Accounting and Review Services Updates
- Preparation of Tax Returns for Not-for-Profits

Has met the current CPE educational requirements to perform audits of governmental agencies.

Licensed by the State of California

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Our Professionals

David Siris, CPA

Subject Matter Expert – Community Facilities District Accounting



EXPERIENCE

David Siris, CPA, is a Manager at The Pun group, LLP with more than nine (9) years of experience in providing accounting and audit services, internal control and risk evaluation, and business consulting to privately held and public companies. Mr. Siris has worked with clients in a variety of industries including large not-for-profits entities, large employee benefits plan, residential mortgage lending, residential home-builders, manufacturing and distribution, and government entities.

David has been responsible for managing, planning and performing financial and regulatory external and internal audits and for developing and conducting internal control procedures and risk assessment evaluations. He has evaluated key processes within companies to determine areas of operating inefficiencies or potential internal control weaknesses and developed findings into recommended courses of actions and into report comments and recommendations for resolution.

Mr. Siris has provided accounting support services to local not-for-profit and governments including financial statement analysis and preparation.

EDUCATION

BS Degree in Finance from **Cal State University Fullerton**, California

LEADERSHIP & AFFILIATIONS

- Member, American Institute of Certified Public Accountants (AICPA)
- Member, California Society of Certified Public Accountants (CalCPA)

RELEVANT EXPERIENCE

- City of Stockton
- City of Beaumont
- City of Redding
- Valley Sanitary District
- San Diego Metropolitan Transit System
- City of Cottonwood, AZ
- City of Gardena
- City of Lakewood
- County of Santa Cruz
- Yuma Metropolitan Planning Organization

CONTINUING PROFESSIONAL EDUCATION

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

- Governmental and Nonprofit Annual Update
- Government Auditing Standards
- GASB Basic Financial Statements for State and Local Governments
- Single Audits: Uniform Guidance (formerly OMB Circular A-133)
- Financial Accounting Standards Board Annual Updates
- Statement on Standards for Accounting and Review Services Updates
- Preparation of Tax Returns for Not-for-Profits

Has met the current CPE educational requirements to perform audits of governmental agencies.



EMAIL

david.siris@pungroup.com



WEBSITE

www.pungroup.com

Licensed by the State of California

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Our Professionals

Amber J. Vitale Engagement Supervisor

Amber J. Vitale has over fifteen (15) years with small to large organizations in a broad range of finance and audit roles from accounting manager, assistant controller, internal audit manager and cost analyst. She has had primary responsibility for delivering financial reports, cash flow analysis, budgets and forecasting and managed all aspects of the general ledger. Provide financial and custom reporting for two of the top ten clients using SQL and data warehouses, completed Semi-Annual and Annual Client Reviews while working directly with the clients and Account Executives listening to their needs and providing reports with graphs, data visualization and statistics to meet their requirements. She proactively created reports based on prior reports that would benefit their organization while thinking outside the box.

She has had primary responsibility in the following key finance functions:

- Financial reporting
- Journal entries
- Accounts payables
- Accounts receivables
- Expense reimbursements
- Billings and collections
- Voids, refunds, and rebates
- Credit card reconciliations
- Cost accounting
- Multiple system reconciliations for numerous business entities

Her experience has allowed her to work on and complete a high volume of transaction reconciliations, complete month end/year end closing processes according to GAAP, general ledger reconciliations, preparation of financial statements, business analysis and statistics, budgeting and forecasting. She also was responsible for overseeing and organizing the annual external audits and worked closely with outside CPA's.

Her roles have also encompassed HR and Payroll management where she oversaw all payroll for payroll compliance with federal and multiple state taxes, unemployment, garnishments, and commissions. She has worked with outside payroll service organization after finalizing the calculations to issue the paychecks. Amber has managed the entire organization's HR Department of over 30 employees including hiring, terminations, annual reviews, metrics, disciplinary actions, new hire orientation, PTO, compensation, profit sharing, 401k, defined benefit plan, insurance, analyzation of insurance policies and premiums, and the transition of the defined benefit plan. Oversaw and managed multiple clients while writing policy matrices, file setup instructions, and payroll calendars.

As an internal auditor, Amber was responsible for directing the execution of internal audits that include the utilization of data analytics, government services, SOX and Compliance efforts, and complex reconciliations of high transactions and identifying control weaknesses and process improvement recommendations.

As a project manager, she has managed, mentored and trained project teams in the planning and execution of concurrent and/or complex independent financial or operational audits/projects, performed detailed audit scoping, analytics, testing, financial analysis, validation of audit information, auditing financial statements to GAAP requirements, creating concise accurate work flows of business processes, testing results, and internal control weaknesses. In addition, she has implemented and rolled out training to the team, worked on special projects, assigned to a testing team for the migration of systems, and worked directly with clients to setup new policies and programs.

Amber's strength lies in her communication and ability to write formalized Audit Reports for delivery and presentation to Board of Directors, various levels of business management, including VPs of multiple business segments.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Our Professionals

Amber J. Vitale
Engagement Supervisor

MAJOR ACCOMPLISHMENTS

- Automated manual reconciliations using SQL and data warehouses.
- Enhanced the Annual Audit Plan given to the Audit Board Executives by decreasing the amount of time by 50%.
- Completed Audit Reports in a 60-day turnaround instead of the assigned 90-day turnaround.
- Created Standard Operating Procedures for the department.
- Wrote custom reporting, including ad-hoc, using Business Objects and SQL.
- Implemented monthly department metrics.
- Migrated over 400 reports from a retired data warehouse to a new database.
- Created custom forms for clients.
- Converted four years of accounting books from cash to accrual.
- Partnered with IT to create an in-house accounting system which included SQL writing, testing, QA of data, and complex reconciliations from one system to the other to ensure data integrity.
- Created weekly Executive Financial Reporting, control documentation, policies and procedures, and collection processes.
- Decreased collections by 60%.

EDUCATION

- BS Degree of Science in Accounting, University of Phoenix, Phoenix, AZ
- Master of Business Administration, University of Phoenix, Phoenix, AZ

TECHNICAL SKILLS

Complex Reconciliation and Auditing
Advanced Excel
Financial Planning & Analysis
Sarbanes-Oxley Compliance
Great Plains General Ledger

SQL
GAAP Reporting
Budgeting & Forecasting
Process Improvement

RELEVANT PROJECT EXPERIENCE

- Valley Metro
- AZ Heart Rhythm Center
- Aetna Insurance
- United Claims Insurance
- Brookfield GRS
(formally Prudential Relocation Division)

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Experience and Approach

Project Scope

The District is requesting the Firm to perform additional financial accounting and consulting services for the District as a result of several recommendations for improvement identified by the Firm during our initial scope of work. The Firm has encountered the following with respect to the District's fiscal accounting and records while reconciling the monthly amounts through February 28, 2019 (most current period).

- A significant portion of the District's accounting activities are reported via allocations and journal entries. This creates an environment that is highly complicated and requires a complex monthly closing process that lacks sufficient segregation of duties.
- Payroll records were not reconciled to the District's General Ledger and benefits and allocations were unposted. Almost all payroll amounts are allocated as opposed to being directly costed out to their Department and an appropriate indirect rate being applied.
- The District's time tracking system, SAGE, is the source system for limited posting of allocations of payroll and it also does not reconcile with payroll registers and/or GL. There is currently no reconciliation process in place.
- Year-end closing activities for FY 2018-19 were not completed.
- Computations of Other Payroll Costs revealed this account included misclassifications of actuarial services fees, bank fees not payroll related, fuel costs, and other costs as payroll and related costs.
- The Chart of Accounts does not conform to the Minimum Audit Requirements and Reporting Guidelines for California Special Districts.
- Property Taxes were not posted appropriately in accordance with generally accepted accounting principles. An accrual / deferral process was used monthly as opposed to following generally accepted accounting principles.
- Controller has been using the bank reconciliation module in order to post District transactions when the bank statement is received as opposed to posting transaction when they occur in the subsidiary ledger. This poses a significant lack of segregation of duties and exposes the District to risk of error or fraud.
- The District is lacking sufficient detailed standardized accounting policies that govern the day to day activity of the finance functions for the District making it very complicated to understand the closing process. Besides the Controller, no other individual possesses sufficient knowledge of the processes behind the complex entries.
- The District's utility billing system, Utility Star, system entries do not match up with the internally developed, Microsoft Access reporting tools used to record then manually transmit activity in the general ledger. There is no policy or procedure in place to reconcile the Utility Star Platinum transactions to the District's MS Access green bar report. The Firm has identified at least 19 codes which do not flow through correctly to the Microsoft Access database. This entire process lacks technical support and internal control for entering data manually into the financial systems.

These findings represent some of the most significant items. If selected for this proposal and as the project work progresses, the Firm anticipates more control weaknesses could be identified which will continue to be reported to management and in a final report to the Board.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Experience and Approach

The District has requested additional assistance in the following areas:

- Financial Accounting and Reporting:
 - Monthly Close - Assist Controller with the current monthly closings through June 30, 2019.
 - Audit Readiness - Assist Controller in preparing required schedules and reconciliations to assist in readying the District for its FY 2018-19 audit.
 - Chart of Accounts - Assist in restructuring of the District's Funds and Chart of Accounts to conform with the Minimum Audit Requirements and Reporting Guidelines for California Special Districts and pooled cash to be effective by July 1, 2020.
 - Capital Accounting - Evaluate the District's process for posting project accounting and capital assets.

- System Integration / Validation:
 - Provide validation of the migration of accounts to the new proposed account code structure.
 - Provide oversight of the reconciliation between the Utility Billing system and the new system integration.
 - Assist with the evaluation of required data integration to replace the District's dependence on Microsoft Access.

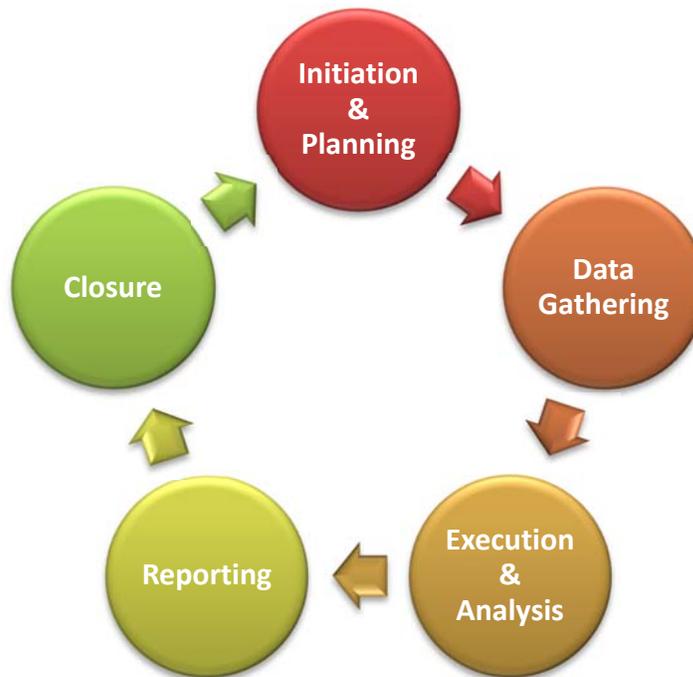
- Organizational Assessment and Improvement:
 - Prepare an organizational assessment of administrative services focused on organization structure and workload.
 - Provide facilitation services to amend and / or develop improved financial and administrative and Board policies and standard operating procedures structure for Finance.

- CFD Bond Reconciliation and Analysis:
 - Perform a study of the Sources and Uses of all Community Facilities District 2014-01 Bond funds including analysis of the payoff of the prior bond and any District costs funded through use of the Bonds.

- Ongoing Services:
 - Provide monthly on-call assistance with needed financial accounting and reporting.

Project Approach

The Firm's project approach consists of five phases of project initiation, data gathering, execution and analysis, reporting and project closure. Throughout the project we monitor the progress of the project, project milestones and deliverables through communication of our task plan with your designated liaison for the project. This reporting can be formal or informal depending on the needs of the project and the client. We anticipate using a less formal approach to include a standing weekly progress meeting with a review of open tasks, next tasks and any issues we have encountered during the project. You can expect that the Engagement Partner/Project Manager or Project Supervisor will be onsite for these meetings to ensure we successfully conclude the project on the proposed schedule.



During each of the project phases we will perform the following:

Initiation & Planning: During this phase will hold our kick off meeting once the contract has been executed. We will interview your staff to ensure that we have a clear understanding of the project goals and outcomes. The expected deliverable at the end of this stage is a finalized project plan with deliverables, milestones and timelines as mutually established. Activities you can expect in this phase are:

- Evaluation of the District's Requests
- Establish our finalized scope and project work plans
- Establish an initial document request list
- Develop the deliverable schedules and type of deliverable required

Data Gathering: In this phase we will be working to gather data to facilitate our analysis of the District's financial close and reporting which will include access to your financial information, financial reports, general ledger, budget, budget amendments, and evaluation of changes to the system or key personnel, and recent external or internal factors affecting the District. We will provide the District with a document request list for document we will require. In addition, we will conduct interviews of your key staff in the areas with oversight and governance in the areas of policy development, budget and accounting, and human resources.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Experience and Approach

Execution and Analysis: This phase will consist of a review and analysis of information gathered to ensure that we have a thorough understanding of the operating environment, the internal control objective and activities. This will consist of a number of activities and will require your time for interviews and assistance.

You can typically expect the following to occur in this phase:

- Allocation of project resources
- Execution of the project team on assigned tasks
- Supervision and review by the Engagement Partner of the work performed
- Review of any preliminary recommendations

Reporting: We will provide periodic ongoing monitoring reports during the project. Near the completion of the project we will provide a draft report of our recommendation for management's review. We will solicit your feedback and input into the recommendation and then finalize our report for delivery to management.

Closure: We feel a formal project closure is necessary to ensure you have received valuable advice, all deliverables, and that it has helped the District to achieve its goals. At this stage, we will update the prior report to you and assist in identifying further solutions and improvements. Our Firm will be there through this stage to aid in interpreting the recommendations and help you to develop your next steps.

Staff Consistency

The Firm is committed to maintaining staff continuity throughout the engagements. While we cannot guarantee that our staff members will stay with the Firm, we encourage loyalty by paying competitive wages, offering opportunities for promotion, using state-of-the-art equipment, and providing excellent working conditions. We also offer benefits including retirement plans, medical plans, profit-sharing programs, and continuing education. The Firm is an equal-opportunity employer and complies with all federal and state hiring requirements. The Firm also supports affirmative-action philosophies and works hard to provide opportunities for self-enhancement to members of disadvantaged groups.

The project team as proposed will be available to successfully staff the project through its completion. If for any reason beyond our control, the Firm requires a change in key personnel we will provide the District with a written notification. The staff will be replaced only by those with similar or better qualifications and experience and with express written permission by the District.

We guarantee that the Partners assigned to this audit will be involved throughout the entire engagement term, and that assigned staff members will return to the District in future years if requested.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Costs of Services

Proposed Fees and Expenses

The proposed tasks, estimated hours (where possible), estimated fee and timing are based on our preliminary discussions with you during our scoping exercise. We have included all areas identified by you and have priced them separately, where practicable, based on our understanding of the nature and timing of the services needed. We are confident that our fees are realistic and competitive given anticipated service levels and complexities in your organization. However, in working within the District's constraints, the services may be purchased individually, in groups or in total based on your needs. In the event, the District was to purchase all services together, we would offer an additional 10% off of our proposed billing rates below.

Proposed Task	Project Team Lead	Est. Hours	Est. Fee	Timing
Contract Execution	Vanessa Burke	-	-	By 9/30
Financial Accounting and Reporting:				
<ul style="list-style-type: none"> Monthly Close - Assist Controller with the current monthly closings through June 30, 2019. 	Amber Vitale	-	Billed Hourly	By 11/30
<ul style="list-style-type: none"> Audit Readiness - Assist Controller in preparing required schedules and reconciliations to assist in readying the District for its FY 2018-19 audit. 	Amber Vitale	-	Billed Hourly	By 11/30
<ul style="list-style-type: none"> Chart of Accounts - Assist in restructuring of the District's Funds and Chart of Accounts to conform with the Minimum Audit Requirements and Reporting Guidelines for California Special Districts and pooled cash. 	Amber Vitale	10-30	\$1,750 - \$5,250	By 11/30
<ul style="list-style-type: none"> Capital Accounting - Evaluate the District's process for project accounting and capital assets/recommend improvements. 	David Siris	25	\$5,000	By 11/30
System Integration / Validation:				
<ul style="list-style-type: none"> Provide validation of the migration of accounts to the new proposed account code structure. 	Amber Vitale	16	\$2,800	By 12/31
<ul style="list-style-type: none"> Provide oversight of the reconciliation of the Utility Billing system under the new system integration. 	Paul Phangureh	-	Billed Hourly	By 12/31
<ul style="list-style-type: none"> Assist with the evaluation of required data integration to replace the District's dependence on Microsoft Access. 	Paul Phangureh	-	Billed Hourly	By 12/31

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Costs of Services

Proposed Task	Project Team Lead	Est. Hours	Est. Fee	Timing
Organizational Assessment and Improvement:				
<ul style="list-style-type: none"> Prepare an organizational assessment of administrative services focused on organization structure. 	Vanessa Burke/Manager	80	\$15,000-\$22,000	By March 2020
<ul style="list-style-type: none"> Provide facilitation services to amend and / or develop improved financial and administrative and Board policies and structure for standard operating procedures for Finance. 	Vanessa Burke/Manager	180	\$35,000-\$45,000	By June 2020
Bond Reconciliation and Analysis:				
<ul style="list-style-type: none"> Perform a study of the Sources and Uses of all Community Facilities District 2014-01 Bond funds including analysis of the payoff of the prior bond and any District costs funded through use of the Bonds. 	David Siris	80-100	\$14,000-\$17,500	By 12/31
Ongoing Services:				
<ul style="list-style-type: none"> Provide monthly on-call assistance with needed financial accounting and reporting. 	All	-	Billed Hourly	Thru June 2020
Total Fees**			\$73,550 - \$97,550	

***Includes the Community Facilities District study which is estimated to be \$14,000-\$17,500. Excludes tasks proposed to be billed on a time and materials basis which could not be estimated based on lack of known information at the date of this proposal. Also excludes travel and out-of-pocket expenses which may vary depending on the number of onsite days required.*

Our fee for these services will be billed at our proposed hourly rates where indicated based on the following table. Where fee estimates are provided for the requested financial accounting and consulting services, these amounts will be progress billed to the District.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Costs of Services

Standard Hourly Billing Rates	
Position	FY 2019-20
Senior Partner(s)	\$ 275
Partner(s)	\$ 250
Senior Manager(s)	\$ 225
Manager	\$ 200
Supervisor	\$ 175
Senior Accountant(s)	\$ 150
Staff Accountant(s)	\$ 125
Clerical	\$ 75

Travel and out-of-pocket expenses (including lodging, airfare, transportation, per diem and other expenses such as photocopying, faxing, postage, etc.) will be billed and separately identified on the monthly invoice.

Cost for Additional Professional Services

Assistance in providing ongoing, professional consultation will be subject to a contract addendum as described below at the Firm's standard hourly billing rates, delineated by staffing levels, or as otherwise agreed to in advance. If extraordinary circumstances warrant an expansion of accounting services, a contract addendum, agreeable to both District and the Firm, must be completed prior to the performance of the work. Any supplemental reports or agreed-upon procedures not covered by this proposal may be added in a written agreement prior to commencing the work. The Firm and the District will discuss and approve the scope and associated costs of these tasks.

Assumptions

The pricing for this proposal is based on the preliminary scope of services outlined in this Proposal. Project events and decision that are not consistent with these assumptions may jeopardize our ability to deliver high-quality work products and services within the cost and schedule and may require a change order amendment to the pricing described herein. Please note the following assumptions on which our proposal pricing is based. We will reconfirm the project plan with management of the District upon award of the contract.

The project plan assumes a September 2019 start date. Project start date delays may impact the completion date and price. If the actual project start date is later, proposed individuals may not be available. In this event, we will work with the District to identify alternative personnel with appropriate skills and background.

District Responsibilities:

- The District is responsible for the documentation of the design and implementation of internal controls.
- The scope of services to be provided is defined as the tasks and activities contained within this Proposed Project Approach that is submitted within this proposal.
- The Scope of Services is dependent upon minimal changes to the District's system, control environment, and key personnel during the period of the contract. Any significant changes in any of these areas should be discussed with us in advance, or as soon as practicable, and its impact to the scope of the internal audit plan and fee.
- The fees for these additional services are limited to the scope of work identified previously. Other areas that may be identified during our engagement will be brought to the attention of management.
- Our price and timeline assume the District will schedule resources to actively participate in project initiation, planned meetings, periodic update meetings, review and approve deliverables and to provide required data and information in a timely manner. Delays in your resource availability, participation in activities, review of our work products, scheduling of meetings or delays in documentation, may require a modification to our price quote.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Costs of Services

- All final deliverables will be approved and accepted in writing by the District.
- Work will be performed at the District's office and when possible at the offices of the The Pun Group team member offices.
- The District will provide adequate office space for the The Pun Group personnel working on site, including computer workstations, internet access, access to network resources and data systems necessary to perform tasks, desks, telephone service and associated equipment.
- The District will provide all relevant documentation to the project team in the timely manner on our Firm's document portal SuraLink™. The The Pun Group recognizes our obligation to safeguard any sensitive information considered proprietary to the District.
- The District representative will assist the project team with the resolution of action items, issues at the mitigation of risks to the project plan.
- The timeline prices and deliverables for this project are dependent upon the completeness, accuracy, and availability of necessary data. The Pun group is not responsible for project delays caused by incomplete, inaccurate, untimely or unavailable information.
- Work performed by The Pun group will be based upon information supplied by the District. The Pun group is not responsible for outcomes resulting from omissions, inaccuracies, or inconsistencies contained in such information.
- The District will be responsible for the quality and completeness of data extracted from the Districts financial system.

Benefits of Choosing The Pun Group, LLP

The Pun Group, LLP is recognized for its professionalism, integrity, and providing clients with practical solutions unique to their circumstances and issues. Our Firm prides itself on being able to provide personalized client services, and with that sentiment in mind, we have carefully chosen our engagement teams. The Pun Group's primary objective is to give the Rancho Murieta Community Services District solutions and directions, led by highly experienced and capable partners who can successfully implement the work and produce the results you expect. This philosophy and mindset allow us to provide a superior level of service, and a quality of work that is unsurpassed.

We trust that this proposal has given you the information needed about the Firm, the Engagement Team members, overall accounting services approach, cost-saving measures, and accounting fees. We are committed to exceeding your expectations, and we look forward to bringing our experience and expertise to the Rancho Murieta Community Services District and providing you with the excellent level of service that you expect and deserve.

Thank You

Thank you for giving us the opportunity to introduce the Firm and submit our qualifications to provide you with professional financial accounting services. Please direct inquiries to:

Vanessa I. Burke, CPA, CPFO
Partner
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Walnut Creek, CA 94596
Vanessa.burke@pungroup.com
(949) 777-8800

Sincerely,



The Pun Group, LLP
Certified Public Accountants and Business Advisors

