

SPECIAL FINANCE COMMITTEE MEETING AGENDA

January 23, 2024 – 3:00 P.M.
Phelan Community Center
4128 Warbler Road, Phelan, CA 92371
& Remotely (see below)

SPECIAL FINANCE COMMITTEE MEETING – 3:00 P.M.

Call to Order – Pledge of Allegiance

Roll Call

1) **Approval of Agenda**

2) **Public Comment** – Under this item, any member of the public wishing to directly address the Board on any item of interest that may or may not be within the subject matter jurisdiction of the Board, but not listed on the agenda, may do so at this time. However, the Board is prohibited by law from taking any action on any item not appearing on the agenda unless the action is otherwise authorized by the Brown Act. Any member of the public wishing to directly address the Board on any item listed on the agenda may do so when the item is being considered by the Board. Speakers are requested to be brief in their remarks. The Chair may limit each speaker to a comment period of five (5) minutes.

3) **Approval of Minutes**

4) **Review of Proposals for Auditing Services**

5) **Review of Disbursements**

6) **Review of Quarterly Financials**

7) **Review of Solar Project Credits & Expenses**

8) **Review of Quarterly Investment Report**

9) **Committee Comments**

10) **Review of Action Items**

- a) Prior Meeting
- b) Current Meeting

11) **Set Agenda for Next Regular Meeting** – April 16, 2024

12) **Adjournment**



Mission Statement:

The Mission of the Phelan Piñon Hills Community Services District is to efficiently provide authorized services and maximize resources for the benefit of the community.

Authorized Services:

- Water
- Parks & Recreation
- Street Lighting
- Solid Waste & Recycling

Pursuant to Government Code Section 54954.2(a), any request for a disability-related modification or accommodation, including auxiliary aids or services, that is sought in order to participate in the above-agendized public meeting should be directed to the District's General Manager at (760) 868-1212 at least 24 hours prior to said meeting.

Agenda materials can be viewed online at www.pphcsd.org

Remote Viewing:

To watch the livestream (view only – nonparticipating), visit our YouTube channel:

[PPHCSD YouTube Channel Link](#)

Remote Participation:

To provide public comment, or otherwise participate remotely, select the meeting you wish to attend on the District's website and then click the "Join Remote Meeting" option.

<https://www.pphcsd.org/meetings>

Please be advised that remote participation and livestreaming options are provided as a courtesy to the public and technical issues could occur, resulting in delays or the inability to participate remotely or livestream. It is recommended that you attend in person to ensure you are able to participate.

Written Comments:

You may also email your public comment to the Board Secretary at ksevy@pphcsd.org by the meeting start time listed on this agenda. Your comment will be added to the record by the Board Secretary.

Please check the District website for updates on this meeting. We encourage you to sign up for our email notifications by emailing ksevy@pphcsd.org or by visiting our website and completing the signup form at www.pphcsd.org under the "Agendas and Minutes" tab.

SPECIAL FINANCE COMMITTEE MEETING MINUTES

October 24, 2023
Phelan Community Center
4128 Warbler Road, Phelan, CA 92371
& Remotely Via Zoom or Conference Call

Board Members Present: Mark Roberts, Vice President/Chair
Chuck Hays, Director

Board Members Absent: None

Staff Present: Don Bartz, General Manager
Lori Lowrance, Assistant General Manager/CFO
David Noland, Finance Supervisor
Kim Sevy, HR & Solid Waste Manager/District Clerk

Call to Order

Vice President Roberts called the meeting to order at 4:01 p.m.

Roll Call

All Committee Members were present at Roll Call.

1) Approval of Agenda

Vice President Roberts moved to approve the Agenda. Director Hays seconded the motion. Motion passed unanimously.

2) Public Comment

None

3) Approval of Minutes

Director Hays moved to approve the Minutes, as amended. Vice President Roberts seconded the motion. Motion passed unanimously.

4) Review of Audit Report

Chris Brown, of C.J. Brown & Co., reviewed the District's 2023 Audit Report and answered questions from the Board.

5) Review of Quarterly Financials

The Committee reviewed the financials.

6) Review of Solar Project Credits & Expenses

The Committee reviewed the solar project credits and expenses.

7) Review of Quarterly Investment Report

The Committee reviewed the Cash/Investment report.

8) **Committee Comments**

Nothing further.

9) **Review of Action Items**

- a) **Prior Meeting** – None
- b) **Current Meeting** – None

10) **Set Agenda for Next Meeting** – Regular Meeting – January 16, 2024

- Remove Item No. 4
- Add “Review of Budget Schedule”

11) **Adjournment**

With no further business before the Committee, the meeting adjourned at 5:14 p.m.

Agenda materials can be viewed online at <https://www.pphcsd.org>



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Phelan, CA 92329
P. (760) 868-1212
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W. www.pphcsd.org

MEMORANDUM

DATE: January 23, 2024
TO: Board of Directors
FROM: Lori Lowrance, Assistant General Manager/CFO
SUBJECT: Review of Proposals received for District Auditing Services

STAFF RECOMMENDATION

Staff recommends the Finance Committee review the proposals received for District Auditing Services and make recommendations to proceed with a selection process for Board consideration.

BACKGROUND

In April 2009, the District put out a Request for Proposal for Auditing Services and selected Charles F. Fedak & Company. In March 2015, after issuing an RFP for Auditing Services, and considering 13 firms, the District contracted with Charles Z. Fedak & Company for auditing services. Charles Z. Fedak and Company changed their name to Fedak & Brown LLP and then to C.J. Brown & Company CPAs. In February 2020, the 2015 contract was extended through Fiscal Year 2022. In May 2023, the Board extended the auditing services with C.J. Brown for one year and requested quotes be brought back to the Board for consideration.

Throughout the years, the auditing firm has worked well with staff and the Board to produce an award-winning audit document, also known as the Annual Comprehensive Financial Report (ACFR). The Auditing Team varies each year while also providing continuity. The Managing Auditor on the team rotates every six years in compliance with auditing standards for governmental audits, to provide fresh eyes on the District's financial records, processes, and policies.

Staff requested and obtained proposals for auditing services. Those proposals are included for review by the Finance Committee. Staff is seeking guidance from the Committee to proceed with the selection process for Board Consideration.

FISCAL IMPACT

Approximately \$25,000 per year for three years with an option to extend the contract.

Phelan Piñon Hills Community Services District - Results of RFP for Professional Auditing Services

MINIMUM CONTENT OF RESPONSES - Section IV of RFP																
		A	B	C	D	E	F	G	H	I	J	K				
Name	Location	Title Page	Letter of Transmittal	Quality Review/Findings?	Size of Audit Team	Experience with Similar Districts	Affirmative Statement	Approach to Audit	Hours Quoted	List of Districts	References	2024	2025	2026	2027	2028
Sotomayor & Associates	Westlake Village	Yes	Yes	Yes / None	3	No CSD's. Several cities.	N/A	Standard	190	Yes	Yes	\$24,900	\$24,900	\$24,900	\$24,900	\$24,900
C.J. Brown & Company	Cypress	Yes	Yes	Yes / None	4	Eight CSD's. Several special districts and several water districts.	Yes	Standard	180	Yes	Yes	\$23,675	\$23,675	\$23,675	\$24,395	\$24,395
Eadie & Payne	Riverside	Yes	Yes	Yes / None	5	Two CSD's. Several special districts and several water districts.	Yes	Standard	201	Yes	Yes	\$31,030	\$31,651	\$32,284	\$32,929	\$33,588
Nigro & Nigro	Murrieta	Yes	Yes	Yes / None	5	Two CSD's. Several special districts and several water districts.	N/A	Standard	173	Yes	Yes	\$25,500	\$25,500	\$25,500	\$25,500	\$25,500
Harshwal & Company	San Diego	Yes	Yes	Yes / None	6	Five CSD's. Several special districts and two water districts.	Yes	Standard	119	Yes	Yes	\$23,000	\$24,150	\$25,360	\$26,630	\$27,960
Current Auditors																

Note: RFP's were sent to 41 Auditing firms on 12/15/2023



**Certified
Public
Accountants**



**Consultants
& Advisors**



Phelan Piñon Hills Community Services District

Technical Proposal to Provide Professional Auditing Services

**For the Fiscal Years Ending
June 30, 2024, through 2026, and
Optional Years 2027, and 2028**

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

10805 Holder Street, Suite 150
Cypress, California 90630

5051 Canyon Crest Drive, Suite 203
Riverside, California 92507

Phone: (657) 214-2307
Email: chris@cjbrowncpa.com

California BOA License Number: 6529



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

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C.J. Brown & Company CPAs

An Accountancy Corporation

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

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

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

January 11, 2024

Ms. Lori Lowrance, Assistant General Manager / CFO
Phelan Piñon Hills Community Services District
4176 Warbler Road
Phelan, California 92371

Re: Request for Proposal for Independent Auditor Services

Dear Ms. Lowrance:

We appreciate the opportunity to submit our proposal to provide independent auditing services for the Phelan Piñon Hills Community Services District (District) for the fiscal years ending June 30, 2024, through 2026, and optional years 2027, and 2028.

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

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

Focused on the Special District Industry

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

Our Firm audits over 60 governmental special districts in the State of California; as a result, this enables our Firm to continuously be immersed in the governmental, financial, and operational issues related to special districts.

Organized to Serve

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

Organized to Serve, continued

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

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

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

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

Our proposal and fee schedule shall be valid and binding for 60 days following the proposal due date and will become part of the contract that is negotiated with the District.

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

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

Phone Number: (657) 214-2307

Email: chris@cjbrowncpa.com

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

We look forward to hearing from you soon.

Cordially,



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

Statement of Understanding

Audit Engagements

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

1. **Audit of the Basic Financial Statements of the District and assistance in the Preparation of the Annual Comprehensive Financial Report (ACFR) in conformity with GASB 34;**
2. **Issue a written report describing the scope of testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including testing results in accordance with *Government Auditing Standards*;**
3. **Preparation of Management Reports for the District;**
4. **Preparation of the Annual Financial Transactions Report for the District, including submission to the State Controller’s Office by the required deadline;**
5. **Attendance at Meetings and Presentation to the Board of Directors; and**
6. **Provide guidance, training, and technical assistance to the District in implementing *Government Accounting Standards* issued, including Annual Accounting Update Session (as required) – at no charge/cost to the District**

Timing of Our Procedures

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


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

Schedule of Deliverables – Subject to Client Preference

March - April	Engagement Planning
May	Interim Field Work (Test of Controls, Risk Assessment) and Initial Conference
July	Send all confirmation forms
August	Year-End/Final Fieldwork
October	Provide Draft Financial Statements, and Management Report
October - November	Provide all Final Reports and Present to the BOD
By January 31st	Prepare and file the Annual Financial Transactions Report to the State Controller’s Office

Firm Provided Affirmations

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

Signature of Authorized Official: 

Name: Christopher J. Brown, CPA CGMA

Title: President

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

Date: January 11, 2024

Firm Qualifications and Experience

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

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

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

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

Professional Education

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

Quality Control

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

Using guidelines established by the AICPA, the Firm has designed and implemented an effective quality control system to ensure that our accounting and auditing work conforms to professional standards. **C.J. Brown & Company, CPAs – An Accountancy Corporation is in the process of transitioning the operations of Fedak & Brown LLP into the Firm and expects to undergo initial Peer Review in September 2024.** We have included the last peer review report from Fedak & Brown LLP on the next page.

Firm Qualifications and Experience, continued



Report on the Firm's System of Quality Control

June 8, 2022

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

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

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

Firm's Responsibility

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

Peer Reviewer's Responsibility

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

Required Selections and Considerations

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

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

Deficiencies Identified in the Firm's System of Quality Control

We noted the following deficiencies during our review:

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

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

Opinion

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

Heidenreich & Heidenreich, CPAs, PLLC

Experience and Technical Competence

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

Firm Qualifications and Experience, continued

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

Los Angeles County

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

Riverside County

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

Santa Barbara County

Santa Maria Public Airport Authority

San Diego County

*Vista Fire Protection District
Borrego Springs Watermaster*

San Bernardino County

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

Inyo County

Great Basin Unified Air Pollution Control District

Kern County

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

Mono County

June Lake Public Utility District

Ventura County

Piru Cemetery District

Northern California/ Bay Area

*Aromas Water District
Avila Beach Community Services District
Butte County Mosquito and Vector Control District
Central Water District
Coastside County Water District
Fresno Irrigation District
Granada Community Services District
June Lake Public Utilities District
North Marin Water District
McKinleyville Community Services District
Mid-Peninsula Water District
North Kings Groundwater Sustainability Agency
Oakdale Irrigation District
Pajaro Valley Water Management Agency
San Lorenzo Valley Water District
San Luis Obispo Local Agency Formation Commission
Shasta Mosquito and Vector Control District
Solano Irrigation District
Solano Water Authority
South Feather Water and Power Agency
Trout Gulch Mutual Water Company
Tri-Dam Power Authority
Tri-Dam Project
Westborough Water District*

Partner, Supervisory and Staff Qualifications and Experience

Summary Qualification of Key Personnel

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

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

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

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

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

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

Knowledge and Understanding of Local Environment

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

Partner Participation

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

Partner, Supervisory and Staff Qualifications and Experience, continued

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

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

Partner, Supervisory and Staff Qualifications and Experience, continued

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

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

Partner, Supervisory and Staff Qualifications and Experience, continued

JEFF PALMER AUDIT SUPERVISOR

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

Similar Engagements with Other Government Entities

References

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

<p>1. Ms. Lori Lowrance, Administrative Services Manager Phelan Piñon Hills Community Services District 4176 Warbler Road Phelan, CA 92371</p>	<p>Community Services District Annual Audit – Annual Comprehensive Financial Report 760.868.1212 ext. 307 Total engagement hours – 180 hours Government Budget \$1,900,000 Enterprise Budget \$10,200,000 Engagement Partner: Christopher Brown</p>
<p>2. Ms. Stephanie Reimer, AGM/CFO Monte Vista Water District 10575 Central Avenue Montclair, CA 91763</p>	<p>Water District Annual Audit – Annual Comprehensive Financial Report 909.267.2151 Total engagement hours – 220 hours Enterprise Budget \$32,700,000 Engagement Partner: Christopher Brown</p>
<p>3. Ms. Nicole Alvarado, CPA, Finance Director McKinleyville Community Services District 1656 Sutter Road McKinleyville, CA 95519</p>	<p>Community Services District Annual Audit – Annual Financial Report 707-839-3251 Total engagement hours – 180 hours Government Budget \$3,100,000 Enterprise Budget \$13,100,000 Engagement Partner: Christopher Brown</p>
<p>4. Ms. Sharon Cisneros, CFO Oakdale Irrigation District 1205 East F Street Oakdale, CA 95361</p>	<p>Irrigation District Annual Audit – Financial Statements 209.840.5501 Total engagement hours – 220 hours Enterprise Budget \$19,100,000 Engagement Partner: Christopher Brown</p>

Specific Audit Approach

Specific Audit Approach

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

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

Interim Audit Planning and Testwork

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

Tasks to be accomplished during the planning phase include:

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

Specific Audit Approach, continued

Interim Audit Planning and Testwork, continued

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

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

Final Audit Test Work

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

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

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

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

Audit Completion

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

Specific Audit Approach, continued

Identification and Communication of Internal Control Matters

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

Audit Documentation

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

Communication with Management and the Board of Directors

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

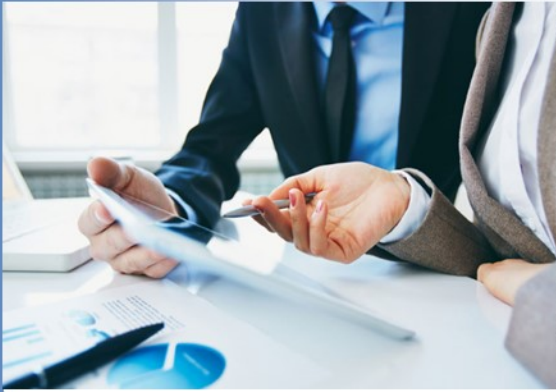
Other Assistance

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

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

Proposed Hours and Segmentation of the Audit

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



**Certified
Public
Accountants**



**Consultants
& Advisors**



Phelan Piñon Hills Community Services District

Cost Proposal to Provide Professional Auditing Services

**For the Fiscal Years Ending
June 30, 2024, through 2026, and
Optional Years 2027, and 2028**

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

10805 Holder Street, Suite 150
Cypress, California 90630

5051 Canyon Crest Drive, Suite 203
Riverside, California 92507

Phone: (657) 214-2307
Email: chris@cjbrowncpa.com

California BOA License Number: 6529



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



C.J. Brown & Company CPAs

An Accountancy Corporation

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

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

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

January 11, 2024

Ms. Lori Lowrance, Assistant General Manager / CFO
Phelan Piñon Hills Community Services District
4176 Warbler Road
Phelan, California 92371

Re: Request for Proposal for Independent Auditor Services

Dear Ms. Lowrance:

Based on our understanding of the Phelan Piñon Hills Community Services District’s (District) requirements, our fee for audit services and preparation of the District’s Financial Transactions Reports at our discounted rates for the fiscal years ending June 30, 2024, through 2026, and optional years 2027 and 2028 will be **\$23,675, \$23,675, \$23,675, \$24,395 and \$24,395**, respectively. This fees are based on our understanding of the District’s audit requirements.

Our estimate for out-of-pocket expenses is a separate estimate and may not be utilized in total to the amount estimated. Again, these fees are based on the estimated costs to complete the audit. The components of this audit services fee proposal and out-of-pocket costs for the fiscal years ending June 30, 2024, through 2026, and optional years 2027 and 2028, are itemized in the attached Exhibits.

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

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

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

Christopher J. Brown, CPA CGMA

January 11, 2024

Date

Exhibit I – Proposed Hours and Our Fees

Proposed Hours and Our Fees

We anticipate that, for the fiscal years ending June 30, 2024, through 2026, and optional years 2027 and 2028, the audit of the District will require approximately 180 audit hours. These hours, by major area, are summarized as follows:

<u>Audit Steps</u>	<u>Partner</u>	<u>Manager</u>	<u>Staff</u>	<u>Total</u>
Planning	2	2	15	19
Controls / Risk Assessment	10	15	30	55
Substantive Testwork	5	15	50	70
Reporting	8	8	20	36
Total Hours	25	40	115	180

As shown above, we expect approximately 36% of engagement hours to come from the Partners and Managers assigned to the engagements.

Working on the premise that we will be provided with all the documents listed per our audit requirements (will be provided prior to commencement of fieldwork), we expect to perform the audit of the District at fees as stated in the attached Schedule of Professional Fees on Page 3 for the fiscal years ending June 30, 2024, through 2026, and optional years 2027 and 2028.

Our fees are based on the product of the time spent on the engagement and the billing rates of the individuals assigned, plus out-of-pocket costs (such as report reproductions, typing, postage, travel, copies, telephone, etc.). We will obtain the assistance of District’s personnel to the extent possible and otherwise endeavor to keep these charges to a minimum. We will submit progress billings monthly to your office as our work progresses, which will be due and payable thirty days from the date of the invoice.

Based upon the present size and scope of the activities of the District, we expect to perform the services enumerated above at our standard hourly rates. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to the audit.

In accordance with your request for proposal and the Office of Management and Budget Circular A-128, we will maintain our work papers for a minimum of seven years and make them available to the District, state agencies, the General Accounting Office, and other parties upon the direction of the District. We have provided a breakdown of our current hourly rates, which would apply to this engagement on the attached Schedule of Professional Fees by Hours on pages 4 through 5 of this cost proposal.

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

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

Exhibit II – Schedule of Professional Fees

Total Audit Fees By Fiscal Year	District Total Audit Service Fees*	District Not-to-Exceed Estimate of Out- of-Pocket Costs**	Preparation of State Contoller's Report	District Not-to-Exceed Total
Fiscal Year 2024	\$ 22,550	500	625	23,675
Fiscal Year 2025	22,550	500	625	23,675
Fiscal Year 2026	22,550	500	625	23,675
Total Three Year Contract Price	\$ 67,650	1,500	1,875	71,025
Optional Years				
Fiscal Year 2027	\$ 23,270	500	625	24,395
Fiscal Year 2028	\$ 23,270	500	625	24,395

* Professional Audit Service Fees - Labor Only

** Estimate of Out-of-Pocket Costs consist of: Travel, Mileage, Postage and Printing Costs - May not be fully utilized

Exhibit III – Schedule of Professional Fees by Hours

Fiscal Year 2024 Breakdown of Fees by Hours

Fiscal Year 2024 Audit of:	Hours	Hourly Rates	Total
District's Basic Financial Statements (ACFR)			
Engagement Partner	20	\$ 170	\$ 3,400
Technical Review Partner	5	170	850
Manager/Supervisor	65	150	9,750
Staff	90	95	8,550
Total Financial Statement Audit for 2024	180		22,550
Out-of-Pocket Expenses (Travel, Postage & Printing)			500
Total Maximum for 2024			\$ 23,050
Optional Items Asked to be Priced by the District	Hours	Rates	Total
Preparation of the District's Annual State Controller's Report	5	125	\$ 625
Total Maximum with Optional Item for 2024			\$ 23,675

Fiscal Year 2025 Breakdown of Fees by Hours

Fiscal Year 2025 Audit of:	Hours	Hourly Rates	Total
District's Basic Financial Statements (ACFR)			
Engagement Partner	20	\$ 170	\$ 3,400
Technical Review Partner	5	170	850
Manager/Supervisor	65	150	9,750
Staff	90	95	8,550
Total Financial Statement Audit for 2025	180		22,550
Out-of-Pocket Expenses (Travel, Postage & Printing)			500
Total Maximum for 2025			\$ 23,050
Optional Items Asked to be Priced by the District	Hours	Rates	Total
Preparation of the District's Annual State Controller's Report	5	125	\$ 625
Total Maximum with Optional Item for 2025			\$ 23,675

Fiscal Year 2026 Breakdown of Fees by Hours

Fiscal Year 2026 Audit of:	Hours	Hourly Rates	Total
District's Basic Financial Statements (ACFR)			
Engagement Partner	20	\$ 170	\$ 3,400
Technical Review Partner	5	170	850
Manager/Supervisor	65	150	9,750
Staff	90	95	8,550
Total Financial Statement Audit for 2026	180		22,550
Out-of-Pocket Expenses (Travel, Postage & Printing)			500
Total Maximum for 2026			\$ 23,050
Optional Items Asked to be Priced by the District	Hours	Rates	Total
Preparation of the District's Annual State Controller's Report	5	125	\$ 625
Total Maximum with Optional Item for 2026			\$ 23,675

Exhibit III – Schedule of Professional Fees by Hours

Optional - Fiscal Year 2027
Breakdown of Fees by Hours

Fiscal Year 2027 Audit of:	Hours	Hourly Rates	Total
District's Basic Financial Statements (ACFR)			
Engagement Partner	20	\$ 175	\$ 3,500
Technical Review Partner	5	175	875
Manager/Supervisor	65	155	10,075
Staff	90	98	8,820
Total Financial Statement Audit for 2027	180		23,270
Out-of-Pocket Expenses (Travel, Postage & Printing)			500
Total Maximum for 2027			\$ 23,770
Optional Items Asked to be Priced by the District	Hours	Rates	Total
Preparation of the District's Annual State Controller's Report	5	125	\$ 625
Total Maximum with Optional Item for 2027			\$ 24,395

Optional - Fiscal Year 2028
Breakdown of Fees by Hours

Fiscal Year 2028 Audit of:	Hours	Hourly Rates	Total
District's Basic Financial Statements (ACFR)			
Engagement Partner	20	\$ 175	\$ 3,500
Technical Review Partner	5	175	875
Manager/Supervisor	65	155	10,075
Staff	90	98	8,820
Total Financial Statement Audit for 2028	180		23,270
Out-of-Pocket Expenses (Travel, Postage & Printing)			500
Total Maximum for 2028			\$ 23,770
Optional Items Asked to be Priced by the District	Hours	Rates	Total
Preparation of the District's Annual State Controller's Report	5	125	\$ 625
Total Maximum with Optional Item for 2028			\$ 24,395

Phelan Piñon Hills Community Services District

RFP for Professional Auditing Services

NOT TO EXCEED PRICE FOR PROPOSED SERVICES SCHEDULE

In accordance with the Request for Proposal for Audit Services issued by Phelan Piñon Hills Community Services District, the firm referenced below hereby submits the following cost proposal:

Basic Reports to Be Issued	Year Ended June 30th				
	2024	2025	2026	2027	2028
District Audit, including ACFR, Management Letter, and Memo of Internal Controls	23,050	23,050	23,050	23,770	23,770
Annual Report to State Controller	625	625	625	625	625
Total	23,675	23,675	23,675	24,395	23,395

In addition, please include below an hourly fee quotation and hours proposed for all positions to be assigned to the audit:

	Hours	Hourly Rate
Partners	25	\$170/\$175
Managers	-	-
Supervisory Staff	40	\$150/\$155
Professional Staff	115	\$ 95/\$ 98
Clerical/Support Staff	-	-
Other	-	-

I hereby certify that the undersigned is authorized to represent the firm stated above, is empowered to submit this bid, and if selected authorized to sign a contract with the Phelan Piñon Hills Community Services District, for the services identified in the Request For Proposals.

Firm Name: C.J. Brown & Company, CPAs

Signature: _____

Printed Name: Christopher J. Brown

Title: President

Date: 01/11/2024



E A D I E P A Y N E

Proposal for Professional Auditing Services

Phelan Pinon Hills Community Services District

JANUARY 16, 2024

PREPARED BY

EadiePayne

3880 Lemon St., Suite 300
Riverside, CA 92501

CONTACT PERSON

Brandon Ferrell

Office: 951.241.7814

Mobile: 909.767.3011

bferrell@eadiepaynellp.com

expect quality

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Riverside, CA 92501

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

 951-241-7800

 www.eadiepaynellp.com

January 16, 2024

Lori Lowrance, Assistant General Manager / CFO
Phelan Pinon Hills Community Services District
4176 Warbler Road
Phelan, CA 92371

Dear Ms. Lowrance,

On behalf of Eadie and Payne, LLP (EadiePayne), we are enthusiastic about the opportunity to serve Phelan Pinon Hills Community Services District (District). Our proposal includes the audit of the District's financial statements and other services for the fiscal years ending June 30, 2024, 2025, and 2026, and the District's financial statements for each of the two subsequent fiscal years, pending board approval. We fully understand the scope of working detailed in the request for proposal, and are committed to completing within the established time frame.

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

Why Choose EadiePayne?

Not a One Size Fits All Approach: EadiePayne recognizes that no two entities are the same. We pride ourselves in co-developing our audit plans with management to ensure that we meet or surpass your expectations.

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

Communication: EadiePayne recognizes that effective and efficient communication is essential to a successful audit. We streamline the communication process with management and governing bodies because we appreciate the challenges of managing the audit process while running the day-to-day operations of the District.

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

This proposal is a firm and irrevocable offer for the fiscal year ending June 30, 2024.

EadiePayne, LLP is licensed to practice as a certified public accounting firm in the State of California, license number 411. All EadiePayne’s partners and all assigned key engagement team members are certified public accountants (CPAs) licensed to practice in the State of California. City of Riverside Business License Number 1245564.

We believe our audit approach and credentials within our teams’ resumes demonstrate our qualifications, competence, and capacity to perform the audit service requested by the District.

The undersigned is duly authorized to represent the firm, possesses the authority to submit the bid on its behalf, and is empowered to sign a contract with the District.

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

Sincerely,



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

PEER REVIEW

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

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



PRICE PAIGE & COMPANY
Accountancy Corporation

The Place to Be

Report on the Firm's System of Quality Control

October 7, 2022

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

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

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

Firm's Responsibility

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

Peer Reviewer's Responsibility

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

Required Selections and Considerations

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

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

Opinion

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



Price Paige & Company

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Clovis, CA 93611
tel 559.299.9540
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FIRM QUALIFICATIONS AND EXPERIENCE



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

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

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

We assembled an audit team possessing extensive knowledge of highly technical government accounting standards such as GASB 34, 67, 68, 74, 75, 87, and 96 as well as government operations. Our team members have direct experience in assisting governments in assessing emerging risk, deploying the Committee of Sponsoring Organizations of Treadway Commission (COSO) Internal Control Framework, applying generally accepted accounting principles (GAAP), and complying with State and Federal regulations. Having managed numerous, large, complex projects, our team can ensure timely and dependable delivery of services to the District.

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

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

FIRM QUALIFICATIONS AND EXPERIENCE

Government Services Provided

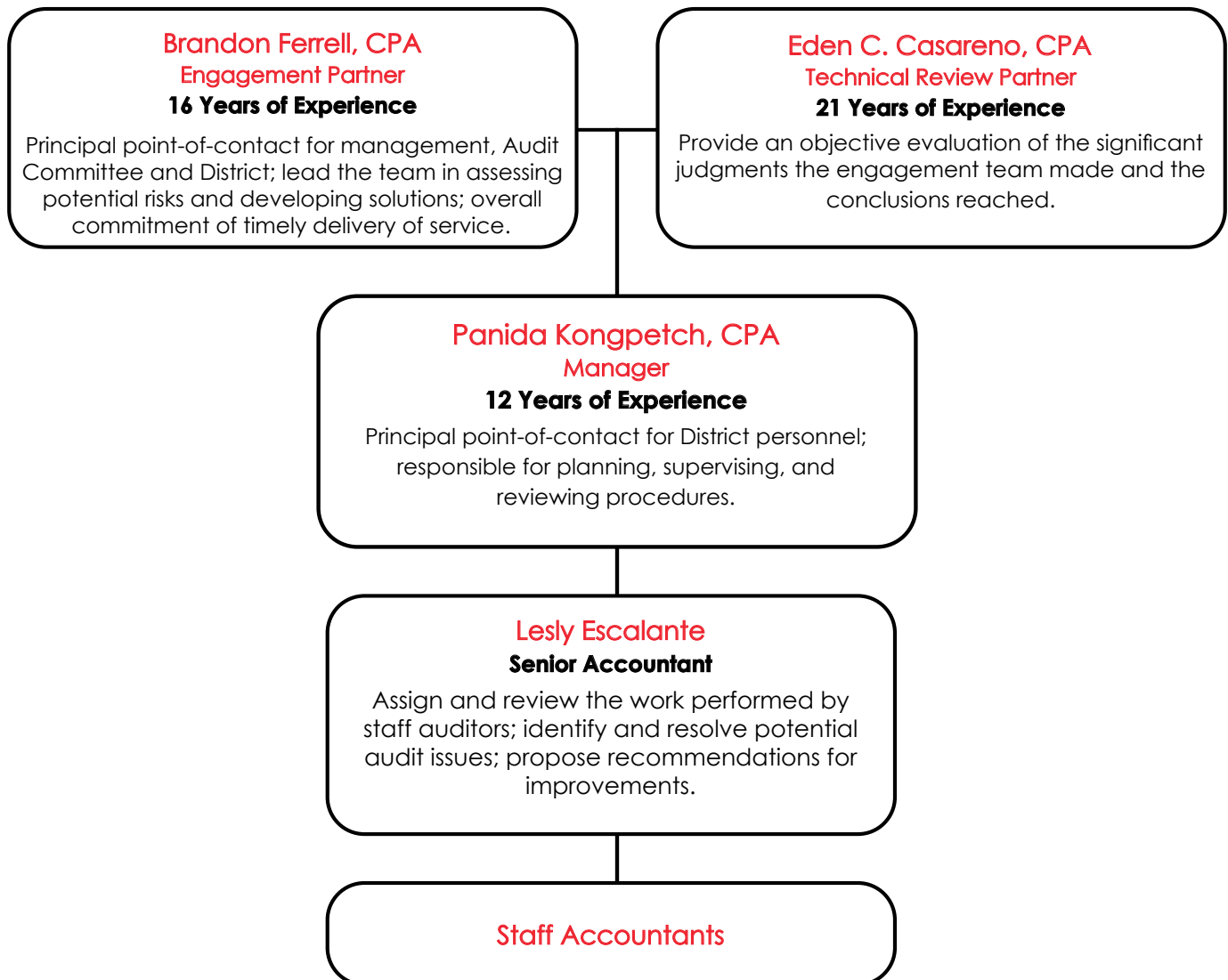
We have performed financial and compliance audits, agreed upon procedures and consulting services for municipalities and other governmental entities. Below is a sampling of our governmental engagements in recent years:

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

PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

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

Key personnel will be available to the extent proposed for the duration of the project. We acknowledge that no person designated as “key” to the project shall be removed or replaced without the prior written concurrence of the District’s. All personnel will be available for on-site work activities as needed.





BRANDON FERRELL, CPA

Engagement Partner

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

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

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

Mr. Ferrell served the following clients:

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

EDUCATION

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

PROFESSIONAL ORGANIZATIONS

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

COMMUNITY ORGANIZATIONS

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

RECENT RELEVANT CPE

Are you challenged by GASB?: 2023
 CSMFO Annual Conference 2023, 2022, 2021
 GASB 87 and 96: An Intro and Comparison: 2023
 GASB 96: Lost in Translation: 2023
 GASB Update - Implementation Continues / The Big Three and Beyond: 2023
 Insights from SBITA Implementation: 2023
 New Accounting Guidance on Compensated Absences: 2023
 Putting Principles into Practice: 2023
 AICPA Government Audit Quality Center Update: 2022, 2021, 2020
 Wolters Kluwer Government Accounting & Auditing Update: 2022, 2021
 Wolters Kluwer 2022 Govt Entities and Cyber Fraud: 2022
 Wolters Kluwer GASB 87 leases one last look: 2022
 Wolters Kluwer Common Deficiencies: Audits Under Gov't Auditing Standards and the Single Audit Act: 2021
 Calcpa The CARES Act: How it Impacts Government and Public Agencies: 2021
 AICPA Preparing for your Single Audit: 2021
 AICPA Compliance Supplement and Single Audit Update: 2021
 EP New SAS, SSARS and SSAE: 2021
 Calcpa Risk Assessment Compliance Standards: 2021



EDEN C. CASARENO, CPA

Technical Review Partner

Office: 951.241.7805 | Mobile: 909.809.7662 | ecasareno@eadiepaynellp.com

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

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

Ms. Casareno served the following clients:

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

EDUCATION

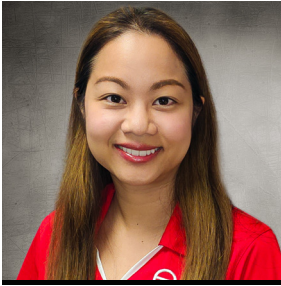
BS Degree in Business Administration, emphasis in Accounting, University of California, Riverside
 Leadership Excellence Summit, Brainard Strategy Leadership Academy
 Single Audit Certificate - AICPA

PROFESSIONAL ORGANIZATIONS

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

RECENT RELEVANT CPE

AICPA GAQC Single Audit Lightning Round: 2023
 CCH Governmental Entities and Cyber Frauds: 2023
 CCH Accounting and Auditing Update: 2023
 CCH Fraud Risks When Conducting Remote Audits: 2023
 AICPA Auditor Considerations: The Coronavirus State and Local Fiscal: 2022
 Recovery Funds Program: 2022
 AICPA 2022 Compliance Supplement and Single Audit Update: 2022
 CSMFO Annual Conference: 2023, 2022, 2021
 AICPA GAQC Update: 2022, 2021, 2020
 AICPA Annual Update for Accountants and Auditors: 2021
 CCH 2021 GAAP, GAAS & SSARS Update: 2021
 AICPA OMB Compliance Supplement and Covid-19 Audit Implications: 2021
 EP GASB 84 & 87: 2021



PANIDA KONGPETCH, CPA

Manager

Office: 951.241.7813 | pkongpetch@eadiepaynellp.com

Ms. Kongpetch joined EadiePayne as audit manager in 2023, bringing with her eight years of Big Four Firm experience. Ms. Kongpetch has served a highly diverse client base with a history of providing quality audit services for over 12 years. Her most recent auditing experience included leading a team of 8-10 staff members, delivering high quality professional audit and review services. She has extensive experience in compliance filings, financial statements and disclosures, and complex accounting issues.

Here at EadiePayne Ms. Kongpetch leads in the planning, organization and execution of attest engagements. Ms. Kongpetch's experience allows her to provide exceptional professional judgment, sound and decisive decisions, and strong project management and interpersonal skills. She will be responsible for assessing the design and operating effectiveness of internal controls environment, designing and executing analytical procedures over financial statements, and maintaining close communications with the clients.

Since joining EadiePayne, she has served as manager for the following clients:

- City of Compton
- City of Huntington Park
- City of Oxnard
- Orange County Sanitation District
- Riverside County Regional Park and Open Space District
- Twentynine Palms Water District
- Wrightwood Community Services District

EDUCATION

MS Degree in Accounting, Liberty University, Lynchburg, VA
 BS Degree in Accounting, Liberty University Lynchburg, VA
 Certified Public Accountant in Maryland

PROFESSIONAL ORGANIZATIONS

American Institute of Certified Public Accountants

RECENT RELEVANT CPE

- Key to Maintaining Objectivity and Professional Skepticism: 2022
- Planning for Success – Inherent Risk: 2022
- Quarterly Accounting Webcast Series: 2022, 2021
- Auditing Services, Methods & Tools Series: 2022, 2021
- Executing Transaction Level Controls Testing: 2021
- Leadership Pathways Series: 2021
- Planning for Success Series – Risk Assessment: 2021
- Planning for Success Series – Cybersecurity Risk: 2021
- Planning for Success Series – Independence: 2021
- Planning for Success Series – Walkthroughs: 2021
- Planning for Success Series – Project Management: 2021



LESLY ESCALANTE

Senior Accountant

Office: 951.241.7832 | Mobile: 909.557.8385 | lescalante@eadiepaynellp.com

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

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

- Antelope Valley East-Kern Water Agency
- Big Bear Municipal Water District
- Cedarpines Park Mutual Water Company
- City of Compton
- City of Huntington Park
- City of Oxnard
- Fontana Union Water Company
- Fort Mojave Tribal Utilities Authority
- Fort Mojave Tribe / Avi Kwa Ame Farms
- Hesperia Recreation and Park District
- Inland Empire IBEW-NECA Labor Management Cooperation Committee
- Inland Empire Latino Lawyers Association
- Inland Empire Resource Conservation District
- Inland Valley Development Agency
- Legal Aid Society of San Bernardino, Inc.
- Riverside Highland Water Company
- San Bernardino County Special Districts
- The Gage Canal Company
- Treatment and Development Inc.
- Twentynine Palms Water District
- Ultimate Internet Access
- Wrightwood Community Services District

EDUCATION

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

PROFESSIONAL ORGANIZATIONS

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

RECENT RELEVANT CPE

Audit and Accounting Update: 2023
Statement of Cash Flows: 2023
Not So Common Note Disclosures: 2023
Audit Sampling: 2023
GASB Update: 2023
Audits of State and Local Government: 2022
Auditing Pension and Opeb (GASB 68 And 75): 2022
GASB 87: 2022
Auditwatch University: Experienced Staff Training: 2022
Accountant's Liability: Balancing Risk and Reward: 2022
How to Become A Rock Star Auditor: 2021
Financial Statement Audits for New Auditors Series: Audit Planning: 2021
Basic Staff Training: Auditing Accounts Receivable & Revenue: 2021
Basic Staff Training: Auditing Accounts Payable: 2021
How Accounting Works and Reporting Guidelines: 2021
Auditing Excel Spreadsheets: 2021
Basic Accounting Procedures: Part I: 2021
Basic Accounting Procedures: Part II: 2021
Basic Staff Training: Audit Fixed Assets: 2021
Auditing Procedures & Practices: Audit Documentation: 2021

AUDIT APPROACH

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

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

Proposed Segmentation for the Engagement

The projected personnel hours required to complete the audit are detailed below.

Planning & Interim Fieldwork	
Entrance Conference	April 2024
Interim Work	May 2024
Exit Conference	May 2024
Final Audit Fieldwork	
Detailed Audit Plan	July 2024
Entrance Conference	July 2024
Field Work	August 2024
Exit Conference	August 2024
Report Finalization and Presentation	
Draft Reports	October 2024
Board Presentation	November 2024
Final Reports	December 15, 2024
Other Services	
SCO Report	January 2024

All final timelines for submissions and review will be co-developed with the District’s management during the entrance conference.

Initial Year Transition

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

AUDIT APPROACH

Planning & Interim Fieldwork (30 Hours & 30 Hours)

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

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

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

We focus on specific accounting cycles during the internal control testing but we also address other processes such as credit card transactions, inventory process, and contract compliance. Each year we will modify our approach to evaluate changes in the District's internal controls. At the end of this phase, we will have another meeting with key personnel to discuss steps performed, significant issues, conclusions, and recommendations and provide a request list for year-end procedures.

Final Audit Fieldwork (80 Hours)

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

Our audit procedures may include, among others:

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

AUDIT APPROACH

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

Report Finalization and Presentation (58 Hours)

The following reports will be issued after the completion of the audits for fiscal years ending June 30, 2024 through 2026:

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

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

Brandon Ferrell, Engagement Partner, will present the audit reports, findings and recommendations

SCO Report (3 Hours)

EP will prepare the District's SCO Financial Transactions Report (FTR) in accordance with the SCO's FTR instructions. The FTR shall contain underlying data from audited financial statements. to District's management, Finance Committee, and the Board of Directors.

Other Services

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

Open Communication

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

AUDIT APPROACH

Sample Sizes

Sampling is one of many audit procedures we use to provide sufficient appropriate audit evidence to support our auditor's opinion. The purpose and nature of sampling is to gather sufficient appropriate audit evidence without testing every transaction. We can test a selection of transactions and draw conclusions about the broader population provided the sample selected is a representative of the relevant population. We utilize random selection, systematic selection, and haphazard selection to achieve a representative sample.

In a standard audit, sample sizes will generally range from 25-60 items depending on the nature of transactions and purpose of the test. We may also use dual- or multi-purpose samples if the situation permits.

We will increase audit samples to include samples from each of the District's individual funds. We will do this by including all transactions from all funds in the population for sampling and selecting a proportionate share of the total sample size from each fund. We would expect the District to provide us with general ledger details of all accounts and all funds in electronic format.

In all cases, Teammate Analytics (data analytics tool) will be used to obtain a representative sample of the total population of the items to be tested. In addition, Teammate Analytics will also enable us to analyze 100% of the population which will provide more reliable results and more relevant insight.

Use of Technology

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

Analytical Procedures

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

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

AUDIT APPROACH

Internal Control

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

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

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

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

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

Anticipated Problems

EadiePayne does not anticipate any problems related to the engagement. If any problems present themselves during our engagement, we will contact management.

Format of the Report

We have attached a sample of our issued audit report for your reference.

SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES

Special Districts & Joint Powers of Authorities Served

Bell Canyon Community Services District | County of San Bernardino Special Districts | Hesperia Recreation and Park District | Inland Empire Resource Conservation District | Inland Valley Development Agency | Law Library for San Bernardino County | Orange County Public Law Library | Riverside County Community Action Partnership | Riverside County Law Library | Riverside County Regional Park & Open Space District | Riverside County Transportation Commission | San Bernardino Public Safety Authority | San Bernardino Regional Emergency Training Center | Wrightwood Community Services District

Water Entities Served

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

Cities Served

City of Barstow | City of Compton | City of Eastvale | City of Huntington Park | City of Industry | City of Montebello | City of Moreno Valley | City of Riverside | City of Oxnard | City of San Juan Capistrano | City of South Pasadena | City of Stockton

Counties Served

County of Los Angeles | County of San Bernardino Auditor-Controller/Treasurer/Tax Collector | County of Riverside | County of San Bernardino Department of Behavioral Health | County of San Bernardino Purchasing Department | Riverside County Department of Public Social Services | Riverside County Sheriff's Department | Successor Agency to the County of San Bernardino

Audits Performed for Districts Over the Past Three Years

Antelope Valley East-Kern Water Agency | Bell Canyon Community Services District | Big Bear Municipal Water District | Fort Mojave Tribal Utilities Authority | Hesperia Recreation and Park District | Inland Empire Resource Conservation District | Law Library for San Bernardino County | Orange County Public Law Library | Riverside County Law Library | Riverside County Regional Park & Open Space District | San Gorgonio Pass Water Agency | Twentynine Palms Water District | Wrightwood Community Services District

REFERENCES

<p>City of Oxnard 2015 – Present Beth Vo, Assistant CFO (805) 385-7464 beth.vo@oxnard.org 300 W. Third St., Oxnard, CA 93030</p>	<p>Financial audits; single audits; Annual Comprehensive Financial Report preparation (GFOA award recipient); assistance with GASB 68 & 75; assistance with corrective action plan; agreed-upon procedures for checks/warrants, EFTs and ACHs; agreed-upon procedures for Golf Course, grant audits; agreed-upon procedures for Measure O; filing of SCO streets and financial transactions report; and Gann Appropriations Limit report.</p>
<p>Twentynine Palms Water District 2018 – Present Matt Shragge, General Manager (760) 367-7546 mshragge@29palmswater.org Cindy Byerrum, Outside Accountant (909) 204-8858 cbyerrum@eidebailly.com 72401 Hatch Rd., Twentynine Palms, CA 92277</p>	<p>Financial audits, preparation of GAAP financial statements, assistance with implementation of GASB 87 & 96, and SCO report preparation.</p>
<p>Inland Empire Resource Conservation District 2015 – Present Mandy Parkes, District Manager (909) 799-7407 mparkes@iercd.org 25864-K Business Center Dr., Redlands, California 92374</p>	<p>Financial audits, preparation of GAAP financial statements, assistance with implementation of GASB 87 & 96, and SCO report preparation.</p>
<p>Wrightwood Community Services District 2018 – 2021 Tamara Keen, General Manager (760) 249-3205 office@wrightwoodcsd.org 1275 Hwy 2, Wrightwood, CA 92397</p>	<p>Financial audit, preparation of financial statements, assistance with hiring asset management company, and assistance with GASB 68 & 75.</p>
<p>Antelope Valley East-Kern Water Agency 2023 – Present Teresa Yates, Finance Manager (661) 943-3201 tyates@avek.org 6500 West Avenue N, Palmdale, California 93551</p>	<p>Financial audits, preparation of GAAP financial statements, assistance with implementation of GASB 87 & 96, and SCO report preparation.</p>
<p>Hesperia Recreation and Park District 2011 – Present Kyle Woolley, General Manager (760) 244-5488 kwoolley@hesperiaparks.com P.O. Box 401055, Hesperia, California 92340</p>	<p>Financial audits, preparation of financial statements, assistance with implementation of GASB 87 & 96, SCO report filing.</p>

COST

NOT TO EXCEED PRICE FOR PROPOSED SERVICES SCHEDULE

In accordance with the Request for Proposal for Audit Services issued by Phelan Pinon Hills Community Services District, the firm referenced below hereby submits the following cost proposal:


Year Ended June 30th

Basic Reports to Be Issued	2024	2025	2026	2027	2028
District Audit, including ACFR, Management Letter, and Memo of Internal Controls	\$ 30,480	\$ 31,090	\$ 31,712	\$ 32,346	\$ 32,993
Annual Report to State Controller	550	561	572	583	595
Total	\$ 31,030	\$ 31,651	\$ 32,284	\$ 32,929	\$ 33,588

In addition, please include below an hourly fee quotation and hours proposed for all positions to be assigned to the audit:

POSITION	Hours	2024	2025	2026	Optional Years	
					2027	2028
Partner	20	\$ 6,200	\$ 6,324	\$ 6,450	\$ 6,579	\$ 6,711
Manager	28	6,860	6,997	7,137	7,280	7,426
Senior Accountant	57	7,410	7,558	7,709	7,863	8,020
Staff Accountant	96	10,560	10,772	10,988	11,207	11,428
	<u>201</u>	<u>\$ 31,030</u>	<u>\$ 31,651</u>	<u>\$ 32,284</u>	<u>\$ 32,929</u>	<u>\$ 33,588</u>

I hereby certify that the undersigned is authorized to represent the firm stated above, is empowered to submit this bid, and if selected authorized to sign a contract with the Phelan Pinon Hills Community Services District, for the services identified in the Request For Proposals.

Firm Name: Eadie and Payne
 Signature: 
 Printed Name: Brandon Ferrell
 Title: Partner
 Date: January 16, 2024



**WRIGHTWOOD COMMUNITY SERVICES DISTRICT
FINANCIAL STATEMENTS
June 30, 2023 and 2022**



WRIGHTWOOD COMMUNITY SERVICES DISTRICT
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Wrightwood Community Services District
Wrightwood, California

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of Wrightwood Community Services District (District), as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the District, as of June 30, 2023, and 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 25 and 26 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated December 23, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

Eadie and Payne, LLP

Riverside, California
December 23, 2023

WRIGHTWOOD COMMUNITY SERVICES DISTRICT

STATEMENT OF NET POSITION

June 30, 2023

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 510,828	\$ 20,302	\$ 531,130
Accounts and other receivables, net	4,902	3,866	8,768
Prepaid expenses	6,687	6,688	13,375
Capital assets, net of accumulated depreciation	<u>784,067</u>	<u>-</u>	<u>784,067</u>
Total Assets	<u>1,306,484</u>	<u>30,856</u>	<u>1,337,340</u>
Liabilities			
Accounts payables and accrued expenses	2,613	21,686	24,299
Customer deposits	<u>4,329</u>	<u>-</u>	<u>4,329</u>
Total Liabilities	<u>6,942</u>	<u>21,686</u>	<u>28,628</u>
Net Position			
Net investment in capital assets	784,067	-	784,067
Unrestricted	<u>515,475</u>	<u>9,170</u>	<u>524,645</u>
Total Net Position	<u>\$ 1,299,542</u>	<u>\$ 9,170</u>	<u>\$ 1,308,712</u>

The accompanying notes are an integral part of the financial statements.

WRIGHTWOOD COMMUNITY SERVICES DISTRICT

STATEMENT OF NET POSITION

June 30, 2022

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 415,950	\$ 35,612	\$ 451,562
Accounts and other receivables, net	4,545	3,480	8,025
Prepaid expenses	5,621	5,621	11,242
Capital assets, net of accumulated depreciation	526,066	-	526,066
Total Assets	<u>952,182</u>	<u>44,713</u>	<u>996,895</u>
Liabilities			
Accounts payables and accrued expenses	124	16,957	17,081
Customer deposits	2,979	-	2,979
Current portion of notes payable	5,291	5,293	10,584
Total Liabilities	<u>8,394</u>	<u>22,250</u>	<u>30,644</u>
Net Position			
Net investment in capital assets	526,066	-	526,066
Unrestricted	417,722	22,463	440,185
Total Net Position	<u>\$ 943,788</u>	<u>\$ 22,463</u>	<u>\$ 966,251</u>

The accompanying notes are an integral part of the financial statements.

WRIGHTWOOD COMMUNITY SERVICES DISTRICT
STATEMENT OF ACTIVITIES
For the year ended June 30, 2023

	Governmental Activities	Business-Type Activities	Total
Expenses			
Solid waste disposal fees	\$ -	\$ 154,474	\$ 154,474
Professional services	29,728	29,498	59,226
Salaries and benefits	58,449	37,918	96,367
Recreation fees	5,003	-	5,003
Maintenance	20,309	1,034	21,343
Utilities	22,296	4,059	26,355
Insurance	5,622	5,621	11,243
Office expenses	7,729	6,488	14,217
Depreciation expense	40,045	-	40,045
Total Expenses	<u>189,181</u>	<u>239,092</u>	<u>428,273</u>
Program Revenues			
Special assessments	-	225,635	225,635
Rental revenue	15,684	-	15,684
Recreation charges	5,338	-	5,338
Grants and donations	245,127	-	245,127
Other	5,749	164	5,913
Total Program Revenue	<u>271,898</u>	<u>225,799</u>	<u>497,697</u>
Net Program Revenues (Expenses)	<u>82,717</u>	<u>(13,293)</u>	<u>69,424</u>
General Revenues			
Property taxes	172,526	-	172,526
Franchise fees	100,511	-	100,511
Total General Revenues	<u>273,037</u>	<u>-</u>	<u>273,037</u>
Changes in Net Position	<u>355,754</u>	<u>(13,293)</u>	<u>342,461</u>
Net Position			
Net position at beginning of year	<u>943,788</u>	<u>22,463</u>	<u>966,251</u>
Net position at end of year	<u>\$ 1,299,542</u>	<u>\$ 9,170</u>	<u>\$ 1,308,712</u>

The accompanying notes are an integral part of the financial statements.

WRIGHTWOOD COMMUNITY SERVICES DISTRICT

STATEMENT OF ACTIVITIES

For the year ended June 30, 2022

	Governmental Activities	Business-Type Activities	Total
Expenses			
Solid waste disposal fees	\$ -	\$ 160,439	\$ 160,439
Professional services	37,531	36,753	74,284
Salaries and benefits	42,651	24,511	67,162
Recreation fees	7,920	-	7,920
Maintenance	23,231	1,382	24,613
Utilities	18,074	3,280	21,354
Insurance	5,163	5,162	10,325
Office expenses	12,738	3,923	16,661
Depreciation expense	39,795	192	39,987
Total Expenses	<u>187,103</u>	<u>235,642</u>	<u>422,745</u>
Program Revenues			
Special assessments	-	225,159	225,159
Rental revenue	11,139	-	11,139
Recreation charges	10,840	-	10,840
Grants and donations	1,500	-	1,500
Other	497	-	497
Total Program Revenue	<u>23,976</u>	<u>225,159</u>	<u>249,135</u>
Net Program Revenues (Expenses)	<u>(163,127)</u>	<u>(10,483)</u>	<u>(173,610)</u>
General Revenues			
Property taxes	164,129	-	164,129
Franchise fees	96,798	-	96,798
Total General Revenues	<u>260,927</u>	<u>-</u>	<u>260,927</u>
Changes in Net Position	<u>97,800</u>	<u>(10,483)</u>	<u>87,317</u>
Net Position			
Net position at beginning of year	<u>845,988</u>	<u>32,946</u>	<u>878,934</u>
Net position at end of year	<u>\$ 943,788</u>	<u>\$ 22,463</u>	<u>\$ 966,251</u>

The accompanying notes are an integral part of the financial statements.

WRIGHTWOOD COMMUNITY SERVICES DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS - PARKS & STREETLIGHTS
 June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Cash and cash equivalents	\$ 510,828	\$ 415,950
Accounts and other receivables, net	4,902	4,545
Prepaid expenses	<u>6,687</u>	<u>5,621</u>
Total Assets	<u>\$ 522,417</u>	<u>\$ 426,116</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payables and accrued expenses	\$ 2,613	\$ 124
Customer deposits	<u>4,329</u>	<u>2,979</u>
Total Liabilities	<u>6,942</u>	<u>3,103</u>
Fund balance		
Nonspendable - prepaid expenses	6,687	5,621
Unassigned	<u>508,788</u>	<u>417,392</u>
Total Fund Balance	<u>515,475</u>	<u>423,013</u>
Total Liabilities and Fund Balance	<u>\$ 522,417</u>	<u>\$ 426,116</u>

The accompanying notes are an integral part of the financial statements.

WRIGHTWOOD COMMUNITY SERVICES DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
 June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Fund balances of governmental funds	\$ 515,475	\$ 423,013
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.	784,067	526,066
Long-term debt has not been included as a liability in governmental fund activity:		
Notes payable	<u>-</u>	<u>(5,291)</u>
Net position of governmental activities	<u>\$ 1,299,542</u>	<u>\$ 943,788</u>

The accompanying notes are an integral part of the financial statements.

WRIGHTWOOD COMMUNITY SERVICES DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS - PARKS & STREETLIGHTS

For the years ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Revenues		
Property taxes	\$ 172,526	\$ 164,129
Franchise fees	100,511	96,798
Rental revenue	15,684	11,139
Recreation charges	5,338	10,840
Grant and donations	245,127	1,500
Other	<u>5,749</u>	<u>497</u>
Total Operating Revenue	<u>544,935</u>	<u>284,903</u>
Expenditures		
Current		
Professional services	29,728	37,531
Salaries and benefits	58,449	42,651
Recreation fees	5,003	7,920
Maintenance	20,309	23,231
Utilities	22,296	18,074
Insurance	5,622	5,163
Office expenses	7,729	12,738
Capital outlay	298,046	-
Debt service		
Principal and interest expense	<u>5,291</u>	<u>5,291</u>
Total Expenditures	<u>452,473</u>	<u>152,599</u>
Excess of Revenues Over Expenditures	<u>92,462</u>	<u>132,304</u>
Net Change in Fund Balances	<u>92,462</u>	<u>132,304</u>
Fund Balance		
Fund balance, beginning of year	423,013	290,709
Fund balance, end of year	<u>\$ 515,475</u>	<u>\$ 423,013</u>

The accompanying notes are an integral part of the financial statements.

**WRIGHTWOOD COMMUNITY SERVICES DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE
STATEMENT OF ACTIVITIES**

For the years ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Net change in fund balances - governmental fund	\$ 92,462	\$ 132,304
Amounts reported for governmental activities in the Statement of Activities are different because:		
When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balance decreases by the amount of financial resources expended, whereas net assets decreased by the amount of depreciation expense charged for the year, net of disposals.		
Capital outlay	298,046	-
Depreciation expense	(40,045)	(39,795)
In the statement of activities, only interest on long term notes payable is reported. However, in the governmental funds, principal payments decrease financial resources. Thus the change in net assets differs from the change in fund balance by the principal, as well as, issuance of debt.		
Debt service principal payments	<u>5,291</u>	<u>5,291</u>
Changes in net position of governmental activities	<u>\$ 355,754</u>	<u>\$ 97,800</u>

The accompanying notes are an integral part of the financial statements.

WRIGHTWOOD COMMUNITY SERVICES DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS (ENTERPRISE)
 June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 20,302	\$ 35,612
Accounts receivable, net	3,866	3,480
Prepaid expenses	6,688	5,621
Total Current Assets	<u>30,856</u>	<u>44,713</u>
Non Current Assets		
Capital Assets		
Equipment	3,246	3,246
Less accumulated depreciation	<u>(3,246)</u>	<u>(3,246)</u>
Total Non Current Assets	-	-
Total Assets	<u>\$ 30,856</u>	<u>\$ 44,713</u>
Liabilities		
Current Liabilities		
Accounts payable and accrued expenses	\$ 21,686	\$ 16,957
Current portion of notes payable	<u>-</u>	<u>5,293</u>
Total Current Liabilities	<u>21,686</u>	<u>22,250</u>
Net Position		
Unrestricted	9,170	22,463
Total Liabilities and Net Position	<u>\$ 30,856</u>	<u>\$ 44,713</u>

The accompanying notes are an integral part of the financial statements.

WRIGHTWOOD COMMUNITY SERVICES DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS (ENTERPRISES)

For the years ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating Revenue		
Special assessments	\$ 225,799	\$ 225,159
Operating Expenses		
Solid waste disposal fees	154,474	160,439
Professional services	29,498	36,753
Salaries and benefits	37,918	24,511
Maintenance	1,034	1,382
Utilities	4,059	3,280
General and administrative	20	-
Insurance	5,621	5,162
Office expenses	6,468	3,923
Depreciation	-	192
Total Operating Expenses	<u>239,092</u>	<u>235,642</u>
Operating Loss	<u>(13,293)</u>	<u>(10,483)</u>
Change in Net Position	<u>(13,293)</u>	<u>(10,483)</u>
Net Position		
Net position at beginning of year	22,463	32,946
Net position at end of year	<u>\$ 9,170</u>	<u>\$ 22,463</u>

The accompanying notes are an integral part of the financial statements.

WRIGHTWOOD COMMUNITY SERVICES DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (ENTERPRISE)
For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities		
Receipts from customers and others	\$ 225,413	\$ 225,107
Payments to vendors for materials and services	(197,512)	(217,744)
Payments to employees for salaries and benefits	(37,918)	(24,511)
Net Cash Provided (Used) by Operating Activities	<u>(10,017)</u>	<u>(17,148)</u>
Cash Flows from Noncapital Financing Activities		
Principal payments on notes payable	(5,293)	(5,293)
Net Cash Flows Provided (Used) by Financing Activities	<u>(5,293)</u>	<u>(5,293)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(15,310)	(22,441)
Cash and Cash Equivalents-Beginning of Year	35,612	58,053
Cash and Cash Equivalents-End of Year	<u>\$ 20,302</u>	<u>\$ 35,612</u>
Reconciliation of Operating Income to		
Net Cash Provided (Used) by Operating Activities		
Change in net position	\$ (13,293)	\$ (10,483)
Adjustments to reconcile change in net position to net cash provided by operating activities:		
Depreciation	-	192
Change in Assets and Liabilities		
(Increase) decrease in accounts receivable	(386)	(52)
(Increase) decrease in prepaid expense	(1,067)	(2,653)
Increase (decrease) in accounts payable	4,729	(4,152)
Net Cash Provided by Operating Activities	<u>\$ (10,017)</u>	<u>\$ (17,148)</u>

The accompanying notes are an integral part of the financial statements.

WRIGHTWOOD COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Operations of the Reporting Entity

The Wrightwood Community Services District (District) was established by an action of the LAFCO for San Bernardino County which was a reorganization that included the formation of Wrightwood Community Services District and the dissolution of County Service Area 56.

The District was formed to provide the following services:

Street Lighting - Acquire, construct, improve, maintain and operate street lighting and landscaping on public property, public right-of-ways, and public easements.

Park and Recreation - Acquire, construct, improve, maintain, and operate recreation facilities, including, but not limited to, parks and open space, in the same manner as a recreation and park district formed pursuant to the Recreation and Park District Law of the Public Resources Code.

Solid Waste and Recycling - Collect, transfer, and dispose of solid waste and refuse and provide solid waste handling service, including, but not limited to, source reduction, recycling, composting activities, pursuant to Division 30, and consistent with Section 41821.2 of the Public Resources Code.

Wastewater (Currently inactive) - Planning and engineering for the potential development of a regional wastewater treatment system should such be required by the Lahontan Regional Water Quality Control Board in the same manner as a sanitary district, formed pursuant to Sanitary District Act of 1923 Division 6 of the Health and Safety Code.

Government-Wide and Fund Financial Statements

The government-wide financial statements (e.g., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the reporting entity. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the expenses of a given function or segment are offset by program revenues. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

WRIGHTWOOD COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus, Basis of Accounting, and Financial Statements Presentation

Separate financial statements are provided from governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Currently, the District does not have fiduciary fund types. Major individual governmental funds are reported as separate columns in the fund financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible with the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes are considered to be susceptible to accrual and have been recognized as revenues in the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental fund:

Parks & Streetlights Fund - provides park and recreation services along with one community center and one senior center for the community of Wrightwood. Additionally, accounts for financial resources to provide and maintain streetlights and landscaping on public property within the community of Wrightwood.

WRIGHTWOOD COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus, Basis of Accounting, and Financial Statements Presentation (continued)

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the statement of net position. The statement of revenues, expenses and changes in net position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. In these funds, receivables have been recorded as revenue and provisions have been made for uncollectible amounts.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The District reports the following major proprietary fund:

Solid Waste Fund – accounts for the funds received and expended for the District's solid waste and recycling services.

The accounting policies of the District conform to generally accepted accounting principles as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from date of acquisition.

WRIGHTWOOD COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (e.g., the current portion of interfund loans) or “advances to/from other funds” (e.g., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”. The District does not have any interfund receivables or payables at June 30, 2023 and 2022.

Property and Special Assessment Taxes

Secured property taxes and special assessment are levied in two equal installments, November 1 and February 1. They become delinquent with penalties on December 10 and April 10, respectively. The lien date is January 1 of each year. Unsecured property taxes are due on March 1 and become delinquent with penalties on August 31.

Accounts Receivable

No allowance for uncollectible were recorded at June 30, 2023 and 2022, based on management’s expectation that all accounts receivable will be collected.

Inventories and Prepaid Items

Inventories, if any, are valued at cost using the first-in/first-out method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

WRIGHTWOOD COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS
 June 30, 2023 and 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets

Capital assets, which include land, improvements to land, structure and improvements, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the District as assets with have an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation in accordance with GASB Statement No. 72.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvement are capitalized as projects are constructed.

Depreciable capital assets of the government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Improvements to land	20-45
Structure and improvements	45
Equipment	3-15

Fund Equity

The District implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classification describes the relative strength of the spending constraints placed on the purpose for which the resources can be used:

- *Nonspendable Fund Balance*: Amounts cannot be spent because they are: (a) not in spendable form or (b) legally or contractually required to be maintained intact. Due to the nature or form of the resources, they generally cannot be expected to be converted into cash.
- *Restricted Fund Balance*: Amounts are restricted by external parties, i.e., creditors, grantors, contributors, or laws/regulations of other governments or restricted by law through constitutional provision or enabling legislation.

WRIGHTWOOD COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Equity (continued)

- *Committed Fund Balance:* Amounts can only be used for a specific purpose pursuant to constraints imposed by formal action of the District's highest level of decision-making authority (the board of Directors). The formal action must occur prior to the end of the reporting period; however, the amount may be determined in the subsequent period. These are self-imposed limitations on available resources. These committed amounts cannot be used for any other purpose unless the District removes or changes the specified use by taking the same level of action it employed to previously commit those amounts. These committed amounts would be approved and adopted by formal action of the Board.
- *Assigned Fund Balance:* Amounts are constrained by the District's intent to be used for specific purposes that are neither restricted nor committed. The intent will be expressed by the body or official to which the governing body has delegated the authority.
- *Unassigned Fund Balance:* The unassigned fund balance has net resources in excess of what can properly be classified in one of the four categories already described.

When both restricted and unrestricted resources are available for use when expenditure is incurred, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. It is the District's policy to consider committed amounts as being reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Long-Term Debt and Interest Payable

In the Government-Wide Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the appropriate activities. In the Fund Financial Statements, with the exception of advances from other funds, long-term liabilities are not presented. Consequently, long term debt is shown as a reconciling item in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.

In the Government-Wide Financial Statements, interest payable on long-term debt is recognized as the liability is incurred for governmental activities and business-type activities. In the Fund Financial Statements, only propriety fund types recognize the interest payable when the liability is incurred.

WRIGHTWOOD COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

In the Government-Wide Financial Statements, net position is classified in the following categories:

- *Net Investment in Capital Assets* consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction, or improvement of the assets.
- *Restricted Net Position* is restricted by external creditors, grantors, contributors, laws or regulations of other governments.
- *Unrestricted Net Position* is all net position that does not meet the definition of “net investment in capital assets” or “restricted net position.”

Subsequent Events

Subsequent events are events or transactions that occur after the balance sheet date, but before financial statements are available to be issued. The District recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing the financial statements. The District's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the balance sheet, but arose after the balance sheet date and before the financial statements were available to be issued. The District has evaluated subsequent events through December 23, 2023, which is the date the financial statements were available to be issued.

2. CASH AND CASH EQUIVALENTS

The District at times maintains deposits with financial institutions in excess of federal depository insurance limits. California law requires banks and savings and loan institutions to pledge government securities with a market value of 110 percent of the District's cash on deposit or first trust deed mortgage notes with a market value of 150 percent of the deposit as collateral for these deposits. Under California law, this collateral is held in a separate investment pool by another institution in the District's name and places it ahead of general creditors of the institution.

At June 30, 2023 and 2022, the carrying amount of the District's deposits were \$531,130 and \$451,562, respectively, and the bank balances were \$538,386 and \$459,098, respectively. The District has cash in financial institutions insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000, and the remaining balance is collateralized in accordance with the California Government Code.

WRIGHTWOOD COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS
 June 30, 2023 and 2022

3. CAPITAL ASSETS

Capital asset activity for the years ended June 30, 2023 and 2022, was as follows:

2023 Governmental Activities:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 185,000	\$ -	\$ -	\$ 185,000
Capital assets, being depreciated:				
Improvements to land	523,634	298,046	-	821,680
Structures and improvements	196,097	-	-	196,097
Furniture and Equipment	29,495	-	-	29,495
Total capital assets, being depreciated	<u>749,226</u>	<u>298,046</u>	<u>-</u>	<u>1,047,272</u>
Less accumulated depreciation for:				
Improvements to land	(253,468)	(27,723)	-	(281,191)
Structures and improvements	(134,420)	(7,674)	-	(142,094)
Furniture and equipment	(20,272)	(4,648)	-	(24,920)
Total accumulated depreciation	<u>(408,160)</u>	<u>(40,045)</u>	<u>-</u>	<u>(448,205)</u>
Total capital assets, being depreciated, net	<u>341,066</u>	<u>258,001</u>	<u>-</u>	<u>599,067</u>
Total capital assets, net	<u>\$ 526,066</u>	<u>\$ 258,001</u>	<u>\$ -</u>	<u>\$ 784,067</u>

2023 Business-Type Activities:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, being depreciated:				
Equipment	\$ 3,246	\$ -	\$ -	\$ 3,246
Less accumulated depreciation for:				
Equipment	(3,246)	-	-	(3,246)
Total capital assets, being depreciated, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WRIGHTWOOD COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS
 June 30, 2023 and 2022

3. CAPITAL ASSETS (Continued)

2022 Governmental Activities:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 185,000	\$ -	\$ -	\$ 185,000
Capital assets, being depreciated:				
Improvements to land	523,634	-	-	523,634
Structures and improvements	196,097	-	-	196,097
Furniture and Equipment	29,495	-	-	29,495
Total capital assets, being depreciated	<u>749,226</u>	<u>-</u>	<u>-</u>	<u>749,226</u>
Less accumulated depreciation for:				
Improvements to land	(229,860)	(23,608)	-	(253,468)
Structures and improvements	(126,511)	(7,909)	-	(134,420)
Furniture and equipment	(11,994)	(8,278)	-	(20,272)
Total accumulated depreciation	<u>(368,365)</u>	<u>(39,795)</u>	<u>-</u>	<u>(408,160)</u>
Total capital assets, being depreciated, net	<u>380,861</u>	<u>(39,795)</u>	<u>-</u>	<u>341,066</u>
Total capital assets, net	<u>\$ 565,861</u>	<u>\$ (39,795)</u>	<u>\$ -</u>	<u>\$ 526,066</u>

2022 Business-Type Activities:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, being depreciated:				
Equipment	\$ 3,246	\$ -	\$ -	\$ 3,246
Less accumulated depreciation for:				
Equipment	(3,054)	(192)	-	(3,246)
Total capital assets, being depreciated, net	<u>\$ 192</u>	<u>\$ (192)</u>	<u>\$ -</u>	<u>\$ -</u>

WRIGHTWOOD COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS
 June 30, 2023 and 2022

4. NOTES PAYABLE

The District entered into an agreement with the San Bernardino County Registrar of Voters (SBCRV) for the repayment of costs related to services provided by SBCRV to conduct the District’s special formation election. The total amount of the costs advanced by SBCRV was \$63,500. The note payable is to be repaid in six annual payments of \$10,584. There is no interest on the note payable. The note payable balances reported in the Statement of Net Position at June 30, 2023 and 2022 were as follows:

	Principal Balance 7/1/2022	Additions	Retirements	Principal Balance 6/30/2023	Amounts Due Within One Year
SBC Registrar of Voters	\$ 10,584	\$ -	\$ (10,584)	\$ -	\$ -

	Principal Balance 7/1/2021	Additions	Retirements	Principal Balance 6/30/2022	Amounts Due Within One Year
SBC Registrar of Voters	\$ 21,168	\$ -	\$ (10,584)	\$ 10,584	\$ 10,584

5. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees; and natural disasters. As a result, the District participates in a public entity risk pool provided by the Special District Risk Management Authority (SDRMA) which provides coverage for property/liability claims and workers’ compensation claims. Upon joining the SDRMA, the District signed a participation agreement which outlines the rights and responsibilities of both the SDRMA and the District. The agreement states that for premiums paid by the District, the SDRMA will assume financial responsibility for the District’s losses up to the maximum amount of insurance purchased, minus the District’s deductible amounts. The SDRMA provides this insurance coverage through a pooled, self-insurance mechanism which includes reinsurance purchased by the SDRMA to protect against large, catastrophic claims above the losses the SDRMA retains internally for payment from the pooled contributions of its members.

6. RISK AND UNCERTAINTIES

Concentrations of Credit Risk

The District’s financial instruments that are exposed to concentrations of credit risk consist primarily of cash and accounts receivable. The District places its cash with high credit worthy institutions. At times, such cash may be in excess of the FDIC insurance limit. The District routinely assesses the financial strength of its customers and, as a consequence, believes that its account receivable credit risk exposure is limited.

Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of June 30, 2023 and 2022, \$281,130 and \$209,098 was uninsured by the FDIC insurance, respectively.

WRIGHTWOOD COMMUNITY SERVICES DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE-GENERAL
For the year ended June 30, 2023

	Budgeted Amounts		Actual	Variances with
	Original	Final		Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 45,000	\$ 168,000	\$ 172,526	\$ 4,526
Franchise fees	39,000	82,000	100,511	18,511
Rental revenue	8,350	9,200	15,684	6,484
Recreation charges	17,000	12,000	5,338	(6,662)
Grants and donations	-	-	245,127	245,127
Other	441	441	5,749	5,308
Total Revenues	<u>109,791</u>	<u>271,641</u>	<u>544,935</u>	<u>273,294</u>
Expenditures				
Current				
Professional services	14,710	59,038	29,728	29,310
Salaries and benefits	19,796	134,796	58,449	76,347
Recreation fees	3,425	5,000	5,003	(3)
Maintenance	4,369	24,164	20,309	3,855
Utilities	89,450	188,232	22,296	165,936
Insurance	-	12,849	5,622	7,227
Office expenses	19,114	12,427	7,729	4,698
Election costs	-	29,484	-	29,484
Capital outlay	-	25,000	298,046	(273,046)
Principal and interest expense	-	1,263	5,291	(4,028)
Total Expenditures	<u>150,864</u>	<u>492,253</u>	<u>452,473</u>	<u>39,780</u>
Excess of Revenues				
Over (Under) Expenditures	<u>(41,073)</u>	<u>(220,612)</u>	<u>92,462</u>	<u>313,074</u>
Net Change in Fund Balance	<u>\$ (41,073)</u>	<u>\$ (220,612)</u>	<u>92,462</u>	<u>\$ 313,074</u>
Fund balance, beginning			<u>423,013</u>	
Fund balance, ending			<u>\$ 515,475</u>	

WRIGHTWOOD COMMUNITY SERVICES DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE-GENERAL
For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variances with
	Original	Final		Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 140,000	\$ 140,000	\$ 164,129	\$ 24,129
Franchise fees	78,000	78,000	96,798	18,798
Rental revenue	11,590	11,590	11,139	(451)
Recreation charges	15,500	15,500	10,840	(4,660)
Grants and donations	-	-	1,500	1,500
Other	25	25	497	472
Total Revenues	<u>245,115</u>	<u>245,115</u>	<u>284,903</u>	<u>39,788</u>
Expenditures				
Current				
Professional services	40,577	40,577	37,531	3,046
Salaries and benefits	71,533	71,533	42,651	28,882
Recreation fees	2,750	2,750	7,920	(5,170)
Maintenance	35,920	35,920	23,231	12,689
Utilities	16,200	16,200	18,074	(1,874)
Insurance	10,325	10,325	5,163	5,162
Office expenses	7,618	7,618	12,738	(5,120)
Election costs	11,000	11,000	-	11,000
Capital outlay	65,319	65,319	-	65,319
Principal and interest expense	-	-	5,291	(5,291)
Total Expenditures	<u>261,242</u>	<u>261,242</u>	<u>152,599</u>	<u>108,643</u>
Excess of Revenues Over (Under) Expenditures	<u>(16,127)</u>	<u>(16,127)</u>	<u>132,304</u>	<u>148,431</u>
Net Change in Fund Balance	<u>\$ (16,127)</u>	<u>\$ (16,127)</u>	<u>132,304</u>	<u>\$ 148,431</u>
Fund Balance				
Fund balance, beginning			<u>290,709</u>	
Fund balance, ending			<u>\$ 423,013</u>	



Phelan Piñon Hills Community Services District
Proposal to Provide Professional Auditing Services
for the Fiscal Years ending June 30, 2024, through June 30, 2026,
with an Option to Extend for Two (2) Additional Years

Submitted by:



11405 W. Bernardo Ct., Suite A

San Diego, CA 92127

Phone: (858) 939-0017 | Fax: (858) 964-3754

January 11, 2024

Contact Person

Managing Partner: Sanwar Harshwal, CPA

Cell Phone: (858) 784-1622

Federal Employer ID Number: 27-0741376

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January 11, 2024

Phelan Piñon Hills Community Services District
ATTN: Lori Lowrance, Assistant General Manager/CFO
4176 Warbler Road, P.O. Box 294049
Phelan, CA 92371

Dear Lori Lowrance and Evaluation Committee Members,

The partners and staff at Harshwal & Company, LLP are pleased to present our proposal to provide professional auditing services. Our firm has experienced continuous growth and success as we meet and exceed client expectations. Our overall goal is to provide responsive, innovative services of the highest quality to our clients.

We understand that the Phelan Piñon Hills Community Services District (referred to later in this proposal as the "District") requires a timely auditing service for the District. We are committed to meeting all terms, conditions and requirements as addressed in the request for proposal. With our experience and knowledge, we fully understand the audit requirements, as well as your expectations.

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

Understanding of the Work to be Done

We understand that you require us to perform both financial and compliance audit of the District and its related operations for the fiscal years ending June 30, 2024, through June 30, 2026, with an option to extend for two additional fiscal years, in accordance with generally accepted accounting principles, including GASB 34 (including GASB 68 journal entries for accounting and financial reporting for pensions); all applicable and generally accepted auditing standards including, but not limited to: the standards set forth for financial audits by the Governmental Accounting Standards Board (GASB), in the General Accounting Office's (GAO) Government Auditing: Standards, and in the U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations.

Ability to Perform the Work within Provided Time Frame

Harshwal & Company, LLP is benchmarked for providing the work within the time frame requested. Our team is committed to completing the audit on time, as they are fully equipped with contemporary technology, which will add value to the successful and timely delivery of the audit. We are responsive and solution oriented, providing quick responses on matters that require immediate attention, hence enhancing the quality of our audit. We focus on staff continuity, which enables us to develop and maintain an in-depth understanding of your operations, management style, and operating practices, which ultimately allows us to offer you experienced resources, value-added services, specialization, and overall better personal service, which again unequivocally results in a timely submission of the audit report.

Why Harshwal & Company, LLP

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

Client Confidentiality and Security

- At Harshwal & Company, LLP, we are committed to safeguarding client information. Maintaining trust is one of the core values of our firm. Since your privacy is a priority to us, we will not share non-public information about you with third parties without your consent.
 - In order to facilitate a highly secure method for exchanging electronic files between our firm and our clients, we have implemented a secure, trackable method for sharing large files via a hosted website called ***Suralink***.
 - All laptops of our audit and tax professionals are encrypted to protect our clients' information.
- ***Our Proposal is a firm and irrevocable offer for up to June 30, 2024.***
- ***Our firm and all key professional staff are licensed by the State of California to practice as Certified Public Accountants.***

Our managing partner, Mr. Sanwar Harshwal, is authorized to represent the firm and he is the authorized person to contractually obligate the firm, to negotiate the contract on behalf of the firm and to be contacted for clarifications. He can be reached at 11405 W. Bernardo Court, Suite A, San Diego, CA 92127; Phone No. (858) 784-1622, Fax No. (858) 964-3754 or via an email at sanwar@harshwal.com.

Harshwal & Company, LLP is a small business enterprise, we are SBA 8(a) certified, a GSA vendor and a 100% minority owned CPA firm.

We thank you for your consideration and hope that you will provide us with the opportunity to serve your esteemed organization with our services.

Sincerely,

Harshwal & Company, LLP
Certified Public Accountants



Sanwar Harshwal, CPA, CIA, CISA, CFE
Managing Partner



FIRM'S MOST RECENT EXTERNAL QUALITY CONTROL

Harshwal & Company, LLP is a member of the Governmental Audit Quality Center (GAQC) and Employee Benefit Plan Audit Quality Center (EBPAQC) of the American Institute of Certified Public Accountants (the AICPA) and the Center for Audit Quality, an affiliate of the AICPA. One of the requirements of membership in these groups is to have our systems of quality control reviewed by another CPA firm once every three years. Our most recent peer review was completed in 2020, and we received a passing peer review rating.

➤ *A certificate of peer review is attached on next page.*

Desk & Field Reviews

From time to time, selected Harshwal & Company, LLP audit engagements are subject to a desk review by federal or other regulators. In all such reviews during the past three years, the reviews have shown our work to be satisfactory, and no disciplinary or other administrative proceedings have resulted from those reviews. There has been no disciplinary action taken against Harshwal & Company, LLP's offices by the AICPA, or any State Board or Society in the last three years. There are also no such actions currently pending.

Disciplinary Action or Pending Litigation

Harshwal & Company, LLP's emphasis on quality has rewarded the firm with an excellent track record regarding claims related to professional services. Harshwal & Company, LLP has an impressive history, free of litigation, penalties and debt, and we have no sanctions or restrictions imposed by professional organizations, regulatory authorities or other government institutions. Harshwal & Company, LLP has never been debarred, suspended or otherwise excluded from or ineligible for participation in federal assistance programs or from receiving federal contracts, subcontracts or financial or managerial assistance or benefits, under Executive Order 12549, "Debarment and Suspension" (24 CRT 85.35) or other federal laws, statutes, codes, ordinances, regulations or rules, at any time during the term of the agreement.





www.CoughlanNapaCPACo.com
Company@CoughlanNapaCPACo.com

Report on the Firm's System of Quality Control

November 25, 2020

To Harshwal & Company LLP and the Peer Review
Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Harshwal & Company LLP (the firm) in effect for the year ended May 31, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

Firm's Responsibility

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

Peer Reviewer's Responsibility

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

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





Required Selections and Considerations

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

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

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Harshwal & Company LLP in effect for the year ended May 31, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Harshwal & Company LLP has received a peer review rating of *pass*.

Coughlan Napa CPA Company, Inc.

Coughlan Napa CPA Company, Inc.





Proposal to Provide Professional Auditing Services



1710 Gilbreth Road
Burlingame, CA 94010
(650) 522-3094
Fax: (650) 522-3080
peerreview@calcpa.org

March 01, 2021

Sanwar Harshwal
Harshwal & Company LLP
16870 W. Bernardo Dr, STE 250
San Diego, CA 92127

Dear Sanwar Harshwal:

It is my pleasure to notify you that on February 25, 2021, the California Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is November 30, 2023. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation.

Sincerely,

Peer Review Committee

Peer Review Program
The Peer Review Program Team
peerreview@calcpa.org
650-522-3094

cc: Constance Coughlan

Firm Number: 900005526362

Review Number: 578635





FIRM'S DESCRIPTION

Harshwal & Company, LLP was founded thirteen years ago and is a locally established firm of CPAs, offering auditing, accounting, management consulting, IT services, and other specialized services to various clients, which consist of special districts, state and local governments, counties, tribes and tribal governments, housing authorities, not-for-profit organizations, and educational entities throughout the United States. Our commitment to our clients has enabled the firm continued growth and success in developing and maintaining strong professional relationships. Our engagement team also has extensive experience in auditing and reviewing financial statements receiving GFOA and CSMFO awards.

The members of the firm have accumulated over four decades of experience in public auditing and accounting, primarily with international certified public auditing firms while employed in high-level supervisory positions. Individually, the partners and management staff are recognized in their respective areas for leadership roles, which they take part in promoting the high ideals of the auditing profession and for producing the highest quality services.

Location of the Office

Harshwal & Company, LLP provides services to clients from three (3) locations. San Diego, CA is the location of our head office, and Oakland, CA, and Albuquerque, NM are the location of our branches. Our nearest office to the District, **San Diego, CA** office will provide audit services to Phelan Piñon Hills Community Services District. The address and phone numbers for each of our three offices are listed below:

Oakland, CA Office	333 Hegenberger Road, Suite 328 Oakland, CA 94621	Phone: (510) 452-5051 Fax: (510) 452-3432
San Diego, CA Office	11405 W. Bernardo Ct., Suite A, San Diego, CA 92127	Phone: (858) 939-0017 Fax: (858) 964-3754
Albuquerque, NM Office	6565 Americas Parkway NE, Suite 800 Albuquerque, NM 87110	Phone: (505) 814-1201 Fax: (505) 395-7581

Staff Size & Organizational Structure:

Audit Team	Manpower
Managing Partner	01
Independent Reviewer	01
Additional Partners	01
Audit Manager	02
Operations Manager	01
CPAs and Senior Staff	08
Additional Staff	08
Total	22





Proposal to Provide Professional Auditing Services

Services Provided by the Firm

Harshwal & Company, LLP is a full-service professional firm providing comprehensive services commonly associated with larger firms. The firm is divided into the following departments and provides the following services:

- **Audit Department:** Provides audit services to commercial, governmental and non-profit organizations with a special emphasis on compliance audit in education, health, and housing industries.
- **Accounting Department:** Provides consulting services in setting up businesses and establishing accounting systems, books, and records; assistance in maintaining business records; and preparing financial statements.
- **Tax Department:** Provides a wide range of tax preparation, tax planning, and consulting for corporations, partnerships, and individuals.
- **Management Advisory Services:** Our technical knowledge, training, and business experience enable us to provide a broad range of management advisory services, which includes the following:
 - Designing and assisting in the installation of accounting systems to fit the requirements of a particular business.
 - Analyze existing accounting systems and recommend ways to improve controls and efficiency.
 - Assessment, installation, and modification of computer hardware and software systems.
 - Consulting in management information systems.
 - Providing consultation about the use of management information systems for planning and control and the application of accounting and other controls.

Professional Staff Employed in this Engagement

Name of Team Member	Role	Experience
Sanwar Harshwal, CPA, CIA, CISA, CFE License No. 5953	Managing Partner	39+ Years
Phyl Warnock, CPA	Independent Reviewer	24+ Years
Garima Pathak	Audit Manager	7+ Years
Albert Hwu, CPA	Senior Auditor	9+ Years
Kinjal Patel, CPA	Senior Auditor	6+ Years
Poonam Sharma, CPA	Staff Auditor	6+ Years

Equal Opportunity Employer

Harshwal & Company, LLP is an equal employment opportunity employer and is in compliance with the Civil Rights Act of 1964, the State Fair Employment Practice Act, and all applicable federal and state laws and regulations relating to equality. We prohibit discrimination of qualified persons based on race, religion, color, sex, age, national origin, disability, sexual orientation, military status, or any other characteristic protected by applicable federal, state, or local law.

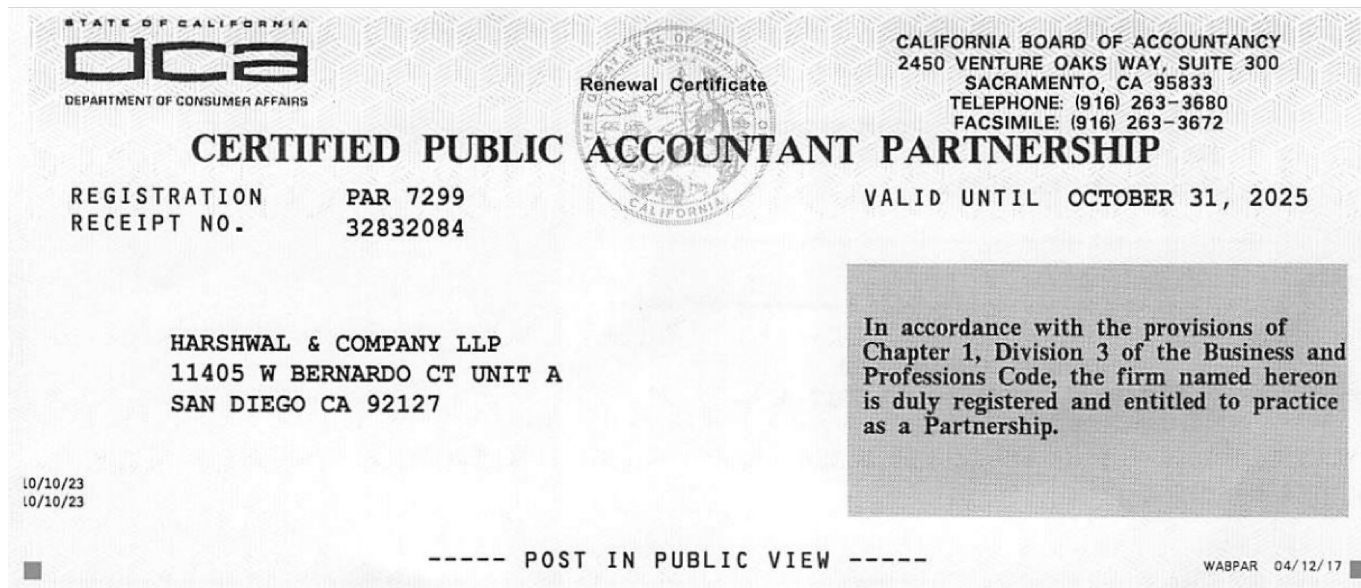




Proposal to Provide Professional Auditing Services

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

We are independent of Phelan Piñon Hills Community Services District and the component unit(s) and joint venture(s) of the District as defined by generally accepted auditing standards issued by the U.S. General Accounting Office’s Government Auditing Standards. Before accepting any new engagement, we conduct a thorough check to ensure that there are no conflicts of interest or independence issues. This procedure is in compliance with the independence requirements of all regulatory agencies and, specifically, in compliance with the Standard for Audit of Governmental Organizations, Programs, and Activity Functions, as published by the U.S. General Accounting Office (GAO).

If selected as your audit firm, we will maintain and monitor our independence as well as reassess our independence with respect to your organization on an annual basis. We will continue to evaluate our independence as your external auditors and will give the District written notice of any professional relationships involving the District and its component unit, if entered into, during the period of the audit contract.

Conflict of Interest Statement

Harshwal & Company, LLP does not have any past or current business or other relationship with the District. We also hereby agree that no member, officer, or employee of the District, no member of the local governing body of the locality in which the District is located and no other public official who exercises any function or responsibilities with respect to the District, during the tenure or for one year thereafter, shall have any interest, direct or indirect, in this contract or the proceeds thereof.





Proposal to Provide Professional Auditing Services

Insurance Requirements

We will maintain such insurance coverage during the period of engagement. Harshwal & Company, LLP maintains the following insurance:

- 1) Professional liability for \$2,000,000 per claim and \$4,000,000 aggregate. The carrier is Hanover Insurance Company.
- 2) Commercial general liability and property damage for \$2,000,000 per occurrence and \$4,000,000 aggregate. The carrier is Sentinel Insurance Company.
- 3) Automobile liability for \$2,000,000. The carrier is Sentinel Insurance Company.
- 4) Workers' compensation (statutory amounts and limits) insurance carrier is Hartford. The limit of the liability is \$1,000,000.

➤ *A copy of insurance document is attached below.*





Proposal to Provide Professional Auditing Services



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
06/30/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement.

PRODUCER: McGowanPRO, 150 Speen Street, Framingham, MA. 01701. CONTACT NAME, PHONE, FAX, E-MAIL ADDRESS, INSURER(S) AFFORDING COVERAGE, NAIC #, INSURED: Harshwal & Company LLP, 11405 W Bernardo Ct Suite A, San Diego, CA 92127.

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

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

Table with columns: INSR LTR, TYPE OF INSURANCE, ADDL SUBR INSR, WVD, POLICY NUMBER, POLICY EFF (MM/DD/YYYY), POLICY EXP (MM/DD/YYYY), LIMITS. Includes sections for General Liability, Automobile Liability, Umbrella Liab, Excess Liab, Workers Compensation and Employers' Liability.

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

CERTIFICATE HOLDER: Harshwal & Company LLP, 11405 W Bernardo Ct Suite A, San Diego, CA 92127. CANCELLATION: SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE: [Signature]

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Proposal to Provide Professional Auditing Services



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
07/18/2023

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

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

PRODUCER CAMICO SERVICES INC/PHS 57141555 The Hartford Business Service Center 3600 Wiseman Blvd San Antonio, TX 78251	CONTACT NAME: PHONE (866) 467-8730 (A/C, No, Ext):		FAX (A/C, No):
	E-MAIL ADDRESS:		
INSURED HARSHWAL & COMPANY, LLP. 11405 W BERNARDO CT STE A SAN DIEGO CA 92127		INSURER(S) AFFORDING COVERAGE INSURER A: Sentinel Insurance Company Ltd. INSURER B: Hartford Fire and Its P&C Affiliates INSURER C: INSURER D: INSURER E: INSURER F:	NAIC# 11000 00914

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/Y YYY)	LIMITS
A	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> General Liability GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC OTHER:			57 SBA BM7653	05/12/2023	05/12/2024	EACH OCCURRENCE \$2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) \$10,000 PERSONAL & ADV INJURY \$2,000,000 GENERAL AGGREGATE \$4,000,000 PRODUCTS - COMP/OP AGG \$4,000,000
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			57 SBA BM7653	05/12/2023	05/12/2024	COMBINED SINGLE LIMIT (Ea accident) \$2,000,000 BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)
	UMBRELLA LIAB EXCESS LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE AGGREGATE
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		Y/N N/A	57 WEC AG8JZ9	07/21/2023	07/21/2024	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE -EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Those usual to the Insured's Operations.

CERTIFICATE HOLDER HARSHWAL & COMPANY, LLP 11405 W BERNARDO CT STE A SAN DIEGO CA 92127-1639	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE <i>Susan S. Castaneda</i>
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STAFF QUALIFICATIONS AND EXPERIENCE

The expertise and experience of Harshwal & Company, LLP's partners and personnel are at the core of the firm's excellence in performing audits of special districts. Harshwal & Company, LLP has experience providing exceptional client service and high-quality audit services through comprehensive knowledge and understanding of governmental accounting standards.

Staff Continuity over the Term of the Agreement

We focus on our team members as well as our clients. Our turnover is significantly lower than other national and regional service firms. This staff continuity enables us to develop and maintain an in-depth understanding of your operations, management style and operating practices, which ultimately allows us to offer you experienced resources, value-added services, industry specialization, and overall better personal service. This commitment to people also resides at our executive level where you will find a refreshingly greater hands-on approach compared to other service providers. Our culture stresses the importance of executive presence throughout projects and engagements.

Key Personnel Assigned to Audit Team

Name of Team Member	Role	Experience
Sanwar Harshwal, CPA, CIA, CISA, CFE License No. 5953	Managing Partner	39+ Years
Phyl Warnock, CPA	Independent Reviewer	24+ Years
Garima Pathak, CA	Audit Manager	7+ Years
Albert Hwu, CPA	Senior Auditor	9+ Years
Kinjal Patel, CPA	Senior Auditor	6+ Years
Poonam Sharma, CPA	Staff Auditor	6+ Years

Almost all of our assigned key personnel are licensed to practice as a Certified Public Accountant. In addition to the key personnel listed, additional staff will be assigned from our pool of highly qualified professionals.

Overall Supervision to be Exercised

The audit will be managed by the Firm's audit manager, Garima Pathak, who has extensive experience in audits of special districts. Garima Pathak has been in charge of various large audits, governmental funded programs, and community-based organizations receiving federal and state funds.

We assure you regarding the quality of staff over the term of the engagement. We will not replace audit personnel except with prior written permission of the District. In case we change, we will provide replacements having similar or better qualifications and experience.





AUDIT TEAM RESPONSIBILITIES

<u>Name/Position</u>	<u>Responsibility</u>
Sanwar Harshwal, CPA Managing Partner	<p>Sanwar Harshwal will be the managing partner in charge of administration, reviews, planning of the audit, approval of the audit scope and work, and review of work and liaison with the District. He is responsible for conducting the fieldwork, coordination of the audit plan, and ensuring that the plan formulated has been effectively followed and managed. He will coordinate with the manager and supervisor for proper fieldwork progress. He will also manage and organize the audit team's effort and ensure the various audit components performed efficiently.</p> <p>He also has the responsibility for meeting with the District's management to keep them informed regarding the progress of the audit. The responsibility also extends to ensure smooth interaction of the firm with the District. He has final authority in the conduct of the engagement, and assumes full responsibility for the work performed.</p>
Phyl Warnock, CPA Independent Reviewer	<p>Phyl R. Warnock is responsible for reviewing staff work papers, prepare findings and recommendations, document internal controls, designing test procedures and ensuring compliance with auditing standards. He has extensive experience and will also be managing the staffing assignment for the engagement to meet deadlines.</p>
Garima Pathak, CA Audit Manager	<p>Garima Pathak will provide the District staff with updates to summarize our progress against the project timeline, and update the status of upcoming deliverables. She will also document discussions leading to important policy decisions and/or the choice of critical assumptions used in constructing the analysis and model.</p>
Albert Hwu, CPA Senior Auditor	<p>Albert Hwu is a senior auditor in the firm's audit group providing auditing services to governmental organizations. Mr. Hwu will serve as the on-site lead auditor and will be in the field on a daily basis. He will assist in directing the staff and specialize in the timely completion of the audit.</p>
Kinjal Patel, CPA Senior Auditor	<p>Kinjal Patel, is a senior auditor and will perform studies, tests, reviews and analysis of accounts and financial transactions and will be responsible for preparation of various work-papers required for audit report preparation.</p>
Poonam Sharma, CPA Staff Auditor	<p>Poonam Sharma will be responsible for coordinating the efforts of our staff throughout fieldwork and managing on-site audit procedures. She will be available to answer any of your technical questions.</p>





AUDIT TEAM RESUMES

SANWAR HARSHWAL, CPA **Managing Partner**

Sanwar Harshwal is the managing partner of Harshwal & Company, LLP. He is a globetrotter and a trained technical speaker on auditing and global accounting standards, IT and internal controls, on fraud prevention, and on examinations and internal audits. With over 39+ years of experience with governmental auditing engagements, Mr. Harshwal is also a leading expert on emerging accounting challenges for special districts. Mr. Harshwal has attended AICPA seminars on GASB's New Financial Reporting Model and Financial Statements of special districts.

During the last 5 years, Mr. Harshwal has provided over 400 hours of training to several professionals on GASB, GAS, Uniform Guidance, FASB, SAAS, GAGAS, Pension Plan audits, COSO, COBIT, internal audits, fraud prevention and examination and tribal governmental governance issues. In addition to having significant experience in audits, strategic assessments of accounting functions, and internal control structures, Mr. Harshwal has extensive experience in evaluating complex accounting and finance issues. He has proficient knowledge of using CaseWare, CaseView, CaseWare IDEA software and other automated tools.

Education:

- B.S. Business Accounting
- Bachelor of Law

Certification:

- Certified Public Accountant - State of California (CPA)
- Certified Public Accountant - State of New Mexico (CPA)
- Certified Public Accountant - State of Arizona (CPA)
- Certified Public Accountant - State of Washington (CPA)
- Chartered Accountant - The Institute of Chartered Accountants of India
- Certified Information System Auditor (CISA)
- Certified Fraud Examiner (CFE)
- ORACLE Financial Consultant (Oracle Business Suite)
- Chartered Global Management Accountant (CGMA)
- Certified Risk Management Assurance (CRMA)
- Certified Construction Auditor (CCA)

Professional Membership

- Member of AICPA
- Member of California CPA Society of Certified Public Accountants
- Member of Information Systems Audit and Control Association, USA
- Member of Association of Certified Fraud Examiners, USA
- Member of Institute of Certified Internal Auditors
- Member of National Association of Construction Auditors
- Member of NM CPA Society





Proposal to Provide Professional Auditing Services

PHYL WARNOCK, CPA Independent Reviewer

Phyl Warnock is an independent reviewer and have over 24+ years' experience in performing financial audits, reviewing staff work papers, writing financial statements, preparing findings and recommendations, documenting internal controls and redesigning test procedures. Phyl has performed financial audits of special districts, school districts, non-profit organizations, municipalities and has working knowledge of GAAP used during audits & financial statement preparations. He will be responsible for reviewing the work papers and final audit reports.

Education:

- Masters of Business Administration
- Bachelors of Science in Accounting

Certification:

- Certified Public Accountant - State of Utah (CPA)

GARIMA PATHAK, CA Audit Manager

Garima Pathak is an audit manager and has been employed with Harshwal & Company, LLP for seven years. She has been engaged in numerous audits of special districts, state and local governments, educational entities, housing authorities, not-for-profit organizations, and tribes and tribal governments. Garima has 5 years of experience working with all types of exempt organizations including 501(c) (3), 501(c) (4), 501(c) (6), and 501(c) (7). Garima has provided tax compliance services to clients in the retail, real estate, and not-for-profit industries. She concentrates on real estate clients, focusing on low-income housing, including both for profit and not-for-profit entities. Garima has a passion for her not-for-profit clients and the industry at large, providing them with hands-on tax compliance services including Form 990 filings. She has proficient knowledge of using CaseWare, CaseView, CaseWare IDEA Software and other automated tools.

Education:

- Bachelor's in Commerce

Certification:

- Chartered Accountancy of Institute of Chartered Accountants of India

ALBERT HWU, CPA Senior Auditor

Albert Hwu is a senior auditor and has been employed with Harshwal & Company, LLP for nine years. He has been engaged with several audits and accounting engagements of special districts, state and local governments, educational entities, housing authorities, not-for-profit organizations, and tribes and tribal governments. Mr. Hwu is proficient in the operating nuances of accounting and auditing packages and demonstrates up-to-date knowledge of auditing and accounting pronouncements. Albert has worked on financial and compliance engagements under the Single Audit Act of 1984 and OMB Circular (Uniform Guidance).





Proposal to Provide Professional Auditing Services

He performs audit testing activities; documents processes and findings; verifies assets and liabilities in accordance with audit programs; follows documentation standards; and prepares clear, concise, and orderly working papers. He has proficient knowledge of using CaseWare, CaseView, CaseWare IDEA software and other automated tools.

Education:

- Bachelors of Science in Accounting

Certification:

- Certified Public Accountant - State of Washington (CPA)

Professional Membership

- Member of AICPA

KINJAL PATEL, CPA

Senior Auditor

Kinjal Patel is a senior auditor. She has been engaged with several audits and accounting engagements of special districts, state and local governments, educational entities, housing authorities, not-for-profit organizations, and tribes and tribal governments. Kinjal is proficient in the operating nuances of accounting and auditing packages and demonstrates up-to-date knowledge of auditing and accounting pronouncements. Kinjal has worked on financial and compliance engagements under the Single Audit Act of 1984 and OMB Circular (Uniform Guidance). She has proficient knowledge of using CaseWare, CaseView, CaseWare IDEA software and other automated tools.

Education:

- Master of Business Administration in Accounting

POONAM SHARMA, CPA

Staff Auditor

Poonam Sharma is serving the firm as a staff auditor. She has been engaged with several audits and accounting engagements of special districts, tribes and tribal governments, not-for-profit organizations, educational entities, state and local governments, and housing authorities. Poonam is proficient in the operating nuances of accounting and auditing packages and demonstrates up-to-date knowledge of auditing and accounting pronouncements. She prepares and adjusts work papers from the client's trial balance, executes day-to-day activities of audit engagements for multiple clients, and interacts with client personnel. She performs audit testing activities; documents processes and findings; verifies assets and liabilities in accordance with audit programs; follows documentation standards; and prepares clear, concise, and orderly working papers. She has proficient knowledge of using CaseWare, CaseView, CaseWare IDEA software and other automated tools.

Education:

- Master of Business Administration in Accounting





Proposal to Provide Professional Auditing Services

Continuing Professional Education

The following table details CPE hours for each key member of the proposed audit team:

Audit Team Member	Governmental CPE	Non-Governmental CPE
Sanwar Harshwal, CPA, CFE, CISA, CFE License No. 5393	140	124
Phyl Warnock, CPA	25	42
Garima Pathak	84	57
Albert Hwu, CPA	108	55
Kinjal Patel, CPA	58	28
Poonam Sharma, CPA	83	40





AUDIT APPROACH

Scope of Work:

At Harshwal & Company, LLP, our professionals have extensive experience performing audits of special districts and our team has a broad understanding of the work environment that is necessary to conduct an audit of the financial statements of the District. We understand that you require us to perform an audit of the financial statements of the District for the fiscal years ending June 30, 2024, through June 30, 2026, with an option to extend for two additional years, in accordance with all applicable and generally accepted auditing standards including, but not limited to: the standards set forth for financial audits by the Governmental Accounting Standards Board (GASB), in the General Accounting Office's (GAO) Government Auditing: Standards, and in the U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations. We will adhere to the requirements of the RFP and will be performing the following tasks (including, but not limited to):

- We will perform both financial and compliance audit of the District and its related operations.
- We will prepare the District's Annual Comprehensive Financial Report (ACFR) and prepare and file the State Controller's Report.
- We express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles, including GASB 34. The audit will include an examination of all funds of the District. We will perform certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board, as mandated by generally accepted auditing standards.
- We will review and verify all Trial Balance by Fund and all of the accounting detail necessary to perform the audit. An initial draft of the ACFR will be prepared by us and given to the District for review.

Reports to be Issued:

- Independent Auditor's Reports for the District
- In-relation-to report on the combining and individual fund financial statements and supporting schedules.
- Management Letters, which include findings, statements, observations, opinions, comments, or recommendations, related to:
 1. Systems of internal control based upon our understanding of the control structure and assessment of control risk.
 2. Compliance with applicable laws and regulations.
 3. Accounting systems, functions, procedures, and processes, especially with regard to cost effectiveness.
- District's Financial Transactions Report to the State Controller.





Proposal to Provide Professional Auditing Services

Number of Copies of Reports to be Produced:

- A. ACFR: 10 bound copies, one (1) unbound copy and one (1) pdf file.
- B. Management: 10 bound copies, one (1) unbound copy and one (1) pdf file.
- C. Districts Financial Transactions Report to the State Controller: one (1) unbound copy, one (1) pdf file.

Special Considerations:

We will ensure that the audit report and financial statements are complete in time for submission to GFOA. We will assist with developing responses to any comments or deficiencies noted by GFOA.

Understanding of the Project to be Performed:

The two most critical components of the audit are (1) to have continuity and consistency among the auditors involved and (2) to have the entire audit team, from partners to staff, understand and be aware of the technical requirements for the engagement. Therefore, careful audit planning is emphasized along with written instructions, and a comprehensive workshop is carried out for the staff engaged. We have ascertained that this effort not only serves to state the line of organization and responsibility from the commencement but also serves to discuss the areas of concern and applicable audit techniques to be adopted in the examinations proposed to be conducted.

Our plan will involve a comprehensive entrance meeting with the District's audit committee and management. During this phase, we hope to establish the timetable for the examination and identify dates for future meetings to report on our progress in the examination. Shortly thereafter, the partners and an audit manager will meet with the District Manager and Finance Director to be able to obtain a more detailed outline of the District's financial systems and processes. This will help us to determine the extent and concentration of our audit effort, obtain knowledge and an understanding of the legal and reporting requirements by obtaining pertinent statutes, regulations, charter provisions, bond coverage and other requirements.

The meeting will serve as a guideline to prepare and outline our audit-planning memorandum and the audit plan. Upon completion of the audit plan, we will meet with the District Officials to go over our plan. During the meeting, we hope to share our understanding of the audit approach and fine-tune the dates of commencement, the assistance available to us, and the assistance the District may need from us, and the introduction of the audit team seniors to the District Officials. In the next step, a conference will be initiated by the audit team to be assigned. The conference will serve as a platform to share our audit plan and programs, discuss areas of concern, identify audit teams and dates, and address any and all pertinent questions from our staff.





Specific Audit Approach

Our audit process begins with the assignment of staff to the engagement. Our engagement team has the expertise to provide the level of service desired and deserved by your organization. Our engagements are supervised by the engagement partner and an audit manager. As high-level involvement is vital to a quality audit, the partner and manager's time will account for approximately 30% of the total hours spent on the engagement. Our team's approach is to be efficient, yet non-intrusive. We believe on-going communication throughout the entire audit will ensure that all aspects of the audit are thoroughly addressed. We encourage regular communications throughout the year, not just during fieldwork. As such, we do not anticipate any potential audit problems to arise during our engagement.

Audit Planning — Interim Phase

Our audit planning process includes a risk assessment of the District and a review of the control environment. We begin with a pre-planning meeting to ensure that management's expectations and our expectations are communicated prior to commencing the audit. We will confirm our understanding of the engagement deadlines and ensure these are met in a timely manner. In addition, we will provide a list and samples of schedules specifically tailored to the Phelan Piñon Hills Community Services District to aid the District's staff in preparing schedules and providing audit documentation.

Risk Assessment — Interim Phase

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

Control Testing — Interim Phase

We will document and test the following control processes to evaluate their effectiveness in preparing reliable financial statements:

- Disbursements
- Receipts
- Payroll
- IT and general computer controls
- Financial reporting
- Journal entry process
- Federal and state programs

Based on our understanding of the District's risks and control environment, we will design our substantive procedures and communicate our audit approach to management. As part of our review and documentation of the control environment, we may have recommendations for enhancing controls and/or efficiencies. These recommendations will be discussed with management prior to any comments included in a formal management letter.





Proposal to Provide Professional Auditing Services

Laws and Regulations

We will review the laws and regulations covering the District's grants and major programs as part of any Single Audit testing if applicable. Based upon our inquiries with the District staff and review of any District's municipal code, etc., we will determine the relevant laws and regulations that will be subject to additional test work.

Substantive Procedures — Year End Phase

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

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

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

Audit work papers are reviewed throughout the audit by an audit manager and engagement partner. Before we leave your offices, the file will be substantially reviewed and any issues will be discussed and resolved. The financial statements are prepared by the audit manager. All reports are reviewed by the engagement partner and concurring partner. Upon approval, we will issue drafts of all reports based on the District's predetermined schedule as indicated in the Request for Proposal. This will allow adequate time for the review and distribution of reports.

Audit Sizes and Statistical Sampling Techniques

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

Drawing Audit Samples (for tests of compliance)

Auditor judgment will be used in selecting our audit samples for tests of compliance work. The majority of the testing of compliance will be centred around the single audit testing of the direct and material elements for the major programs.





Proposal to Provide Professional Auditing Services

Technological Advantages

We utilize the latest technology, including virtual servers, smart devices, and online libraries, to provide us with the most up-to-date information to better serve our clients. Our online client portal *Suralink*, allows us to send and receive information to and from our clients faster and more securely. As portals are encrypted and use password protection to ensure that data can only be viewed by the appropriate client, we are dedicated to protecting the District's confidential information.

Furthermore, we streamline our audit process and organize support documents through the use of the paperless audit program - CaseWare Working Papers. By effectively reviewing large volumes of data through these programs, we can develop a better understanding and gain a broader view of Phelan Piñon Hills Community Services District. These technologies enable us to increase both the scope of our engagement and the reliability of our audit opinion more efficiently, as a larger amount of information can be processed, analyzed, and interpreted in a shorter time frame.

Working Paper Retention

We will retain audit working papers for a minimum of seven (7) years unless we are notified in writing by the District of the need to change the retention period. In addition, we will respond to reasonable inquiries of the District and successor auditors, and allow the District and successor auditors to review working papers relating to matters of continuing accounting significance. We will make working papers available to the following upon your request:

- Phelan Piñon Hills Community Services District
- Parties designated by the federal or state governments or by the District as part of an audit quality review process
- Auditors of entities of which the District is a sub-recipient of grant funds
- State of California, Office of the State Controller

Management Letter

Communication with management is crucial since it is essential to hear your concerns and comprehend the financial records to have a complete and thorough understanding of business operations. Management confirmation is required on all information contained within the financial statements to ensure that they are true and accurate and that all information has been properly disclosed. We will review all significant audit findings with the District as the work proceeds and once on complete of our audit procedures.

It is standard practice for our firm to produce a management letter in conjunction with each engagement. The audit process provides an opportunity to assess performance and trends, to identify opportunities to improve internal controls and/or accounting efficiency and, spot emerging needs or opportunities. By reporting these conditions and opening them up for discussion, the management letter can play an important role in maintaining the future financial health of the organization. Should we become aware of any irregularities, illegal acts, or indications of illegal acts, we will make an immediate verbal and written report of such findings to the District's following parties: District General Manager; District Counsel; and the Board. The report will be discussed with the members responsible for the financial statements before submitting it to the Board Members.





Proposal to Provide Professional Auditing Services

Technologies Used to Perform Our Audits

We are pleased to discuss our efficient use of audit technology as follows: We use the latest technical tools and technology to audit computerized systems. The following are some of the latest tools, which describe our proficiency in audits of computerized environments.

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

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

IDEA: We will utilize IDEA data extraction software to assist us in completing our analytical procedures. We will obtain a detail general ledger of all transactions that occurred during the year and download that information into IDEA. We will analyze the data for unusual transactions and create reports for our audit procedures. Additional functionality of this program allows us to receive files in many formats used by the District which alleviates the stress and pressures of converting data into a usable format.

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

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

Some advantages of CaseWare and CaseView are as follows:

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





Anticipated Potential Audit Problems

We understand that the adoption of new laws or accounting principles can significantly impact the audit process, and we are committed to addressing these challenges effectively. Our team of experienced auditors stays updated with the latest regulations and accounting standards to ensure compliance and accuracy in our work. We will closely monitor any changes in laws or accounting principles that may affect the audit and promptly adapt our approach to accommodate these modifications.

In the event that we encounter specific complexities or require additional support, we will communicate and coordinate with the District to request any special assistance needed. We believe in fostering a collaborative relationship, and by working closely with the District, we can overcome potential hurdles and ensure a successful audit engagement. Our proposal aims to demonstrate our proactive approach to anticipating and managing audit problems, as well as our commitment to providing high-quality services while adhering to relevant laws and accounting principles.





Sample Audit Report





INTRODUCTORY SECTION





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LIST OF OFFICIALS

Name	Designation	Tenure
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FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

ATTN
Client Name
City, State

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Client Name, Crescent City, California (the "District"), as of and for the year ended June 30, 20XX, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of June 30, 20XX, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.





Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedule - General Fund on page 25, Schedule of Proportionate Share of the Net Pension Liability on pages 27, Schedule of Plan Contributions on page 29 and the notes to the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.





Proposal to Provide Professional Auditing Services

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated Report Date, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

San Diego, California

Report Date





BASIC FINANCIAL STATEMENTS





GOVERNMENT-WIDE FINANCIAL STATEMENTS





STATEMENT OF NET POSITION

ASSETS	
Current assets:	
Cash and investments	\$ -
Other assets	-
Total current assets	-
Noncurrent assets:	
Nondepreciable capital assets	-
Depreciable capital assets, net	-
Total noncurrent assets	-
Total assets	-
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - related to pension	-
Total deferred outflows of resources	-
Total assets and deferred outflows of resources	-
LIABILITIES AND NET POSITION	
LIABILITIES	
Current liabilities:	
Accounts payable	-
Salaries and benefits payable	-
PERS liability	-
Total current liabilities	-
Long-term liabilities:	
Net pension liability	-
Total long-term liabilities	-
Total liabilities	-
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - related to pension	-
Total deferred inflows of resources	-
Total liabilities and deferred inflows of resources	-
NET POSITION	
Net investment in capital assets	-
Restricted	-
Unrestricted	-
Total net position	-
Total liabilities, deferred inflows of resources, and net position	\$ -

The accompanying notes are an integral part of these financial statements.





**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED**

Functions/Programs	Expenses	Program Revenues		Net (Expenses) / Revenues, and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
General government	\$ -	\$ -	\$ -	\$ -
Total governmental activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
		General revenues:		
		Taxes:		
			Property taxes	-
			Yield taxes	-
			Interest and investment earnings	-
			Miscellaneous	-
			Total general revenues	<u>-</u>
			Change in net position	-
			Net position - beginning of year	<u>-</u>
			Net position - ending of year	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.





FUND FINANCIAL STATEMENTS





Proposal to Provide Professional Auditing Services

BALANCE SHEET - GOVERNMENTAL FUND

ASSETS	
Cash and investments	\$ -
Other assets	-
Total assets	<u>-</u>
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	-
Salaries and benefits payable	-
PERS liability	-
Total liabilities	<u>-</u>
FUND BALANCE	
Assigned	-
Unassigned	-
Total fund balance	<u>-</u>
Total liabilities and fund balance	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.





Proposal to Provide Professional Auditing Services

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUND TO THE STATEMENT OF NET POSITION

Total fund balance - governmental funds		\$	-
Amounts reported for governmental activities in the Statement of Net Position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
Governmental capital assets		-	-
Less: accumulated depreciation		<u>-</u>	<u>-</u>
Net pension liability is not due and payable in the current period and therefore, is not reported in the balance sheet - governmental funds.			
Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore, are not reported in the balance sheet - governmental funds:			
Deferred outflows of resources related to pension		-	-
Deferred inflows of resources related to pension		<u>-</u>	<u>-</u>
Total net position - governmental activities		\$	<u><u>-</u></u>

The accompanying notes are an integral part of these financial statements.





**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED**

REVENUES	
Taxes and assessments	\$ -
Fines and forfeitures	-
Intergovernmental revenues	-
Charges for services	-
Interest and investment earnings	-
Miscellaneous revenues	-
Total revenues	<u>-</u>
EXPENDITURES	
Current general government:	
Salaries and benefits	-
Services, supplies, and other	-
Total expenditures	<u>-</u>
Net change in fund balance	-
Fund balance, beginning of year	-
Fund balance, end of year	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.





Proposal to Provide Professional Auditing Services

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED

Net change in fund balance - Governmental fund	\$	-
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Depreciation expense		-
Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		
Pension expense		-
Change in net position - governmental activities	\$	-

The accompanying notes are an integral part of these financial statements.





NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of Client Name (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below:

A. Reporting Entity

The District was organized on June XX, 19XX, under the provisions of the Education Code Section 19400 et seq. The District has boundaries co-terminus with those of the Client Name, California. The District is administered by a Board of Trustees and is a member of the North State Cooperative Library System which enables the District to provide information, books and materials, video cassettes, audio cassettes, tape players, films, microfilm and microfiche facilities, photocopying, and reading programs to the general public.

Generally accepted accounting principles require government financial statements to include the primary government and its component units. Component units of a governmental entity are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the combined financial statements to be misleading. The primary government is considered to be financially accountable if it appoints a majority of an organization's governing body and is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.

Component Units

Based on the application of the criteria set forth by the Governmental Accounting Standards Board, management has determined that there are no component units of the District.

B. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities display information on all the activities of the District. These statements include the financial activities of the overall District. These statements report the governmental activities of the District, which are normally supported by property taxes and intergovernmental revenues. The District had no business-type activities during the year ended June 30, 20XX.

The statement of net position reports all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference being presented as net position.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods and services offered by the program, 2) operating grants and contributions. Taxes and other items, not properly included among program revenues are reported instead as general revenues.





NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

B. Basis of Presentation - Cont'd

Fund Financial Statements

Fund financial statements of the District are organized into one fund, which is considered to be a separate accounting entity. The fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity balance, revenues, and expenditures. The fund of the District is organized into the governmental category and is treated as a major fund.

The District reports the following major governmental fund:

- The General fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the District. For the District, the General fund includes the main activity of library services.

C. Basis of Accounting and Measurement Focus

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property tax, charges for services, grants, entitlements, and donations. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from charges for services, grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property taxes, charges for services, operating grants, and use of money and property are considered susceptible to accrual and are accrued when their receipt occurs within sixty days after the end of the fiscal year. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to claims and judgments are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as other financing sources.

D. Noncurrent Governmental Assets/Liabilities

Noncurrent governmental assets and liabilities, such as capital assets and long-term liabilities, are reported in the governmental activities column in the government-wide statement of net position.

E. Cash and Investments

The District pools all cash and investments with the Client Name. The District Treasury is an external investment pool for the District and the District is considered an involuntary participant. The District's share in the pool is displayed in the accompanying financial statements as cash and investments.





NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

E. Cash and Investments - Cont'd

Participant's equity in the investment pool is determined by the dollar amount of participants deposits, adjusted for withdrawals and distributed investment income. Investment income is determined on the amortized cost basis. Amortized premiums and accreted discounts, accrued interest, and realized gains and losses, net of expenses, are apportioned to pool participants every quarter based on the participant's average daily cash balance of quarter end in relation to the total pool investments. This method differs from the fair value method used to value investments in these financial statements. In these financial statements, the fair value of the District's investments in the pool was based on unaudited quoted market values as provided by the District Treasurer. The pool has not provided or obtained any legally binding guarantees during the period to support the value of investments.

The District has established a Treasury Oversight Committee to monitor and review the management of public funds maintained in the investment pool in accordance with the District investment policy and the California Government Code. The oversight committee and the Board of Supervisors review and approve the investment policy annually. The District Treasurer prepares and submits a comprehensive investment report to the members of the oversight committee and the investment pool participants every month. The report covers the type of investments in the pool, maturity dates, par value, actual cost, and fair value.

Required disclosure information regarding categorization of investments and other deposit and investment risk disclosures can be found in the Client Name's financial statements. The Client Name's financial statements may be obtained by contacting the Client Name Auditor Controller's office at _____.

F. Inventory

Inventories are recorded as expenditures when the inventory is purchased rather than consumed. Records are not maintained of inventory and supplies on hand, although these amounts are not considered material. There is no inventory at June 30, 20XX.

G. Capital Assets

Capital assets are defined by the District as assets with a cost of \$2,000 or more. Capital assets are recorded at historical cost or estimated historical cost if actual cost is unavailable. Donated capital assets received prior to June 15, 2015, are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015, are recorded at acquisition value.

Capital assets used in operations are depreciated or amortized using the straight-line method over the estimated useful life. The range of estimated useful lives by type of asset is as follows:

<u>Depreciable Assets</u>	<u>Estimated Lives</u>
Equipment	2-20 years
Building and improvements	15-30 years

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increases values, change capacities or extend useful lives are capitalized. Upon sale or retirements of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.





NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

H. Property Tax

Client Name is responsible for the collection and allocation of property taxes. Under California law, property taxes are assessed and collected by the Client Name up to 1 percent of the full cash value of taxable property, plus other increases approved by the voter and distributed in accordance with statutory formulas.

The valuation/lien date for all taxes is January 1. Secured property tax is due in two installments; the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10. Unsecured property tax is due on March 1, and become delinquent, if unpaid on August 31.

The District uses the alternative method of property tax apportionment known as the "Teeter Plan". Under this method of property tax apportionment, the District remits the entire amount levied and handles all delinquencies, retaining interest and penalties.

I. Compensated Absences and Postemployment Benefits

The District's policy regarding compensated absences is to permit employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as debt in the government-wide financial statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources. The District includes its share of social security and medicare taxes payable on behalf of the employees in the accrual for compensated absences.

The District does not currently provide post-employment benefits.

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflows of resources (expenditure) until then. At June 30, 20XX, the District had pension related deferred outflows of resources items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. At June 30, 20XX, the District had pension related deferred inflows of resources items that qualify for reporting in this category.

K. Grant Revenues

Certain grant revenues are recognized when specific related expenditures have been incurred. In other grant programs, monies are virtually unrestricted as to the purpose of expenditure and are only revocable for failure to comply with prescribed compliance requirements. These revenues are recognized at the time of receipt, or earlier if susceptible to accrual criteria is met.





NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

L. Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

M. Pensions

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. Leases

Lessee

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight line basis over its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lessor

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.





NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

N. Leases - Cont'd

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its leases, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

O. New Accounting Pronouncements

The District adopted the following new accounting pronouncements issued by the GASB during the current fiscal year ended June 30, 2023:

GASB No.	Title	Required Implementation Date (Period Beginning Date)	District Fiscal Year
Statement No. 99	Omnibus 2022 (financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53)	June 15, 2023	2024
Statement No. 100	Accounting Changes and Error Corrections - an Amendment of GASBs No. 64	June 15, 2023	2024
Statement No. 101	Compensated Absences	December 15, 2023	2025

The District will implement the applicable new GASB pronouncements in the fiscal year no later than the required effective date. The District has not yet determined the financial impact from future implementation of these standards.

NOTE 2 - CASH AND INVESTMENTS

A. Financial Statement Presentation

As of June 30, 20XX, the District's cash and investments consisted of the following:

	<u>Amount</u>
Imprest cash	\$ -
District Treasurer's Pool	-
Total Cash and Investments	<u>\$ -</u>





NOTES TO FINANCIAL STATEMENTS

NOTE 2: CASH AND INVESTMENTS - CONT'D

B. Cash

Custodial Credit Risk for Deposits - Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or collateral securities that are in possession of an outside party. The District complies with the requirements of the California Government Code. Under this code, deposits of more than \$250,000 must be collateralized at 105 percent of the value of the deposit to guarantee the safety of the public funds.

C. Investments

The District does not have a formal investment policy. At June 30, 20XX, all investments of the District were in the Client Name investment pool. Under the provisions of the District's investment policy and the California Government Code, the District may invest or deposit in the following:

- Local Agency Bonds
- Banker's Acceptances
- Commercial Paper
- Local Agency Investment Fund (LAIF)
- United States Treasury Notes, Bonds, Bills, or Certificates of Indebtedness
- Medium Term Corporate Notes
- California State Registered Warrants, Treasury Notes, and Bonds
- Negotiable Certificates of Deposit
- Repurchase Agreements
- Securities of the Federal Government or its Agencies
- Local Agency Obligations
- Shares of Beneficial Interest

Interest Rate Risk - Interest rate risk is the risk of loss due to the fair value of an investment falling due to interest rates rising. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. To limit exposure to fair value losses resulting from increases in interest rates, the District's investment policy limits investment maturities to a term appropriate to the need for funds so as to permit the District to meet all projected obligations. The District limits its exposure to interest rate risk inherent in its portfolio by limiting individual maturities to 5 years or less.

Credit Risk - Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a national recognized statistical rating organization. The District's investment policy sets specific parameters by type of investment to be met at the time of purchase. As of June 30, 20XX, the District's investment was all pooled with the District Treasury which is not rated by a nationally recognized statistical rating organization.

Custodial Credit Risk for Investments - Custodial credit risk for investments is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or collateral securities that are in possession of an outside party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to local government's indirect investments in securities through the use of mutual funds or government investment pools.





NOTES TO FINANCIAL STATEMENTS

NOTE 2: CASH AND INVESTMENTS - CONT'D

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. The District's investment policy contains limitations on the amount that can be invested in any one issuer. As of June 30, 20XX, all investments of the District were in the District investment pool which contains a diversification of investments.

The investment includes Local Agency Investment Fund (LAIF) having maturities of one year or less from fiscal year end and are not subject to GASB Statement No. 72.

NOTE 3 - CAPITAL ASSETS

Governmental capital assets activity for the year ended June 30, 20XX, was as follows:

	Balance		Balance
	_____	Additions	June 30, 20XX
	_____	_____	_____
Capital assets, not being depreciated:			
Land	\$ -	\$ -	\$ -
Total capital assets, not being depreciated	_____ -	_____ -	_____ -
Capital assets, being depreciated:			
Buildings and improvements	-	-	-
Equipment	_____ -	_____ -	_____ -
Total capital assets, being depreciated	_____ -	_____ -	_____ -
Less: accumulated depreciation			
Buildings and improvements	-	-	-
Equipment	_____ -	_____ -	_____ -
Total accumulated depreciation	_____ -	_____ -	_____ -
Total capital assets, being depreciated, net	_____ -	_____ -	_____ -
Total capital assets, net	\$ _____ -	\$ _____ -	\$ _____ -

Depreciation expense was charged to governmental functions as follows:

General government	\$ _____ -
Total depreciation expense - Governmental activities	\$ _____ -





NOTES TO FINANCIAL STATEMENTS

NOTE 4 - NET POSITION

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

- Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

Net Position Flow Assumption

When a government funds outlays for a particular purpose from both restricted and unrestricted resources, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted net position is available, it is considered that restricted resources are used first, followed by the unrestricted resources.

NOTE 5 - FUND BALANCES

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Following are categories of Fund balance for governmental funds:

- Nonspendable fund balance - amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories and prepaid amounts.
- Restricted fund balance - amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed fund balance - amounts that can only be used for the specific purposes determined by formal action of the District's highest level of decision-making authority. The Board of Trustees is the highest level of decision making authority for the District that can, by adoption of an ordinance commit fund balance. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- Assigned fund balance - amounts that are constrained by the District's intent to be used for specific purposes. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose.
- Unassigned fund balance - the residual classification for the District's General fund that includes all amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to these purposes.





NOTES TO FINANCIAL STATEMENTS

NOTE 5: FUND BALANCES - CONT'D

The fund balance for the General fund as of June 30, 20XX, was distributed as follows:

	<u>General Fund</u>
Assigned for:	
Literacy	\$ -
New building	-
Building repairs and improvements	-
Munson trust	-
Unassigned	-
	<hr/>
Total	<u>\$ -</u>

Fund Balance Flow Assumption

When a government funds outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance), a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted fund balance is available, it is considered that restricted fund balance is depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policy

The Board of Trustees has established a fund balance policy by passage of a resolution. Fund balance which is committed or assigned for a specific purpose is typically done through adoption and amendment of the budget.

NOTE 6 - EMPLOYEES' RETIREMENT PLAN

A. Plan Description

The District Miscellaneous Classic Plan and Miscellaneous PEPRA Plan (Pension Plans) are cost-sharing multiple-employer defined benefit pension plans, administered by the California Public Employees' Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions under the Plans are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Effective January 1, 2013, the District added a retirement tier for the Miscellaneous Plan for new employees as required under the Public Employee Pension Reform Act (PEPRA). New employees hired on or after January 1, 2013 will be subject to new, lower pension formulas, caps on pensionable income levels and new definitions of pensionable income. In addition, new employees will be required to contribute half of the total normal cost of the pension benefit unless impaired by an existing Memorandum of Understanding.





NOTES TO FINANCIAL STATEMENTS

NOTE 6: EMPLOYEES' RETIREMENT PLAN - CONT'D

A. Plan Description - Cont'd

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Measurement Date	June 30, 2022
Measurement Period	July 01, 2021 to June 30, 2022
Valuation Date	June 30, 2021

B. Benefits Provided

The Plans provide service retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. All qualified permanent and probationary employees are eligible to participate in the District's Pension Plans. Benefit provisions under the Pension Plans are established by State statute and District resolution. A menu of benefit provisions as well as other requirements is established by State statutes within the Public Employees' Retirement Law. The District selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance.

	Miscellaneous Plan	
	Classic	PEPRA
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.0% @ 55	2% @ 62
Benefit vesting schedule	5 years' service	5 years' service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	62
Required employee contribution rates	7.00%	7.75%
Required employer contribution rates	8.65%	7.59%

C. Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for all Pension Plans are determined annually on an actuarial basis as of June 30, by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.





NOTES TO FINANCIAL STATEMENTS

NOTE 6: EMPLOYEES' RETIREMENT PLAN - CONT'D

D. Pension Liabilities, Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of June 30, 20XX, the District reported net pension liabilities for its proportionate shares of the net pension liability of Plan as follows:

	<u>Miscellaneous Plan</u>
Proportion - June 30, 2022	\$ -
Proportion - June 30, 2021	-
Change - Increase/(Decrease)	<u>\$ -</u>

The District's net pension liability for each of the Pension Plans is measured as the proportionate share of the net pension liability. The net pension liability of each of the plans are measured as of June 30, 20XX, and the total pension liability for each Pension Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 20XX rolled forward to June 30, 20XX using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The District's proportionate share of the net pension liability for the Pension Plan as of June 30, 20XX and 20XX was as follows:

	<u>Miscellaneous Plan</u>
Proportion - June 30, 2022	- %
Proportion - June 30, 2021	-
Change - Increase/(Decrease)	<u>- %</u>

For the year ended June 30, 20XX, the District recognized pension expense of \$-. At June 30, 20XX, the District reported deferred outflows and deferred inflows of resources related to pension as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ -	\$ -
Changes of assumptions	-	-
Differences between expected and actual experience	-	-
Difference in actual contribution and proportionate share of contribution	-	-
Difference between projected and actual earnings of pension plans investments	-	-
Change in proportion	-	-
Total	<u>\$ -</u>	<u>\$ -</u>





NOTES TO FINANCIAL STATEMENTS

NOTE 6: EMPLOYEES' RETIREMENT PLAN - CONT'D

D. Pension Liabilities, Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions - Cont'd

\$- reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 20XX. Other amounts reported as deferred outflows or deferred inflows of resources related to pension will be recognized as pension expense as follows:

<u>Year Ended June 30</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2027	-

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 20XX (the measurement date), the total pension liability was determined by rolling forward the June 30, 20XX total pension liability. The June 30, 20XX total pension liability for the Miscellaneous Plan was based on the following actuarial methods and assumptions:

Actuarial Cost Method Actuarial Assumptions: Discount Rate Inflation Salary Increases Investment Rate of Return Mortality Rate Table Postretirement benefit increase	Entry Age Normal Cost Method 6.90% 2.30% Varies by Entry Age and Service 6.90% Net of Pension Plan Investment and Administrative Expenses; including Inflation Derived using CalPERS' Membership Data for all Funds Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies
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*The mortality table was developed based on CalPERS' specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries.

E. Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.





NOTES TO FINANCIAL STATEMENTS

NOTE 6: EMPLOYEES' RETIREMENT PLAN - CONT'D

F. Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

The expected real rates of return by asset class are as follows:

<u>Asset Class¹:</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1 - 10^{1,2}</u>
	%	%
Global equity - cap-weighted		
Global equity non-cap-weighted		
Private Equity		
Treasury		
Mortgage-backed securities		
Investment grade corporates		
High Yield		
Emerging Market Debt		
Private Debt		
Real Assets		
Leverage		

¹ An expected inflation of 0.00% used for this period.

² Figures are based on the 20XX-XX Asset Liability Management study.

Sensitivity of the Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the collective net pension liability calculated using a discount rate of 6.90%, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90%) or 1-percentage-point higher (7.90%) than the current rate (dollars expressed in thousands):

<u>Net Pension Liability</u>	<u>1% Decrease (5.90%)</u>	<u>Current Discount Rate (6.90%)</u>	<u>1% Increase (7.90%)</u>
Miscellaneous Plan	\$ -	\$ -	\$ -

G. Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.





NOTES TO FINANCIAL STATEMENTS

NOTE 7 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases coverage from Special Districts Risk Management Association (SDRMA). During the year ended June 30, 20XX, the District paid \$- to SDRMA. Settled claims have not exceeded this SDRMA coverage in any of the past three fiscal years.

NOTE 8 - OTHER INFORMATION

A. Commitments and Contingencies

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the appreciable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

B. Subsequent Events

The management of the District has reviewed the results of operations for the period of time from its year end June 30, 20XX through Report Date, the date the financial statements were available to be issued and has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.





**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**





BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive/ (Negative)
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Other revenues	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES				
Current general government:				
Salaries and benefits	-	-	-	-
Services, supplies, and other	-	-	-	-
Total expenditures	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -

See notes to budgetary comparison schedule.





NOTES TO BUDGETARY COMPARISON SCHEDULE

BUDGETARY BASIS OF ACCOUNTING

Formal budgetary integration is employed as a management control device during the year. The District presents a comparison of annual budgets to actual results for the General fund. Budgets are adopted on a basis generally consistent with generally accepted accounting principles (GAAP).

The District follows these procedures annually in establishing the budgetary data reflected in the financial statements:

- 1) The Board of Trustees reviews the recommended budget at regularly scheduled meetings, which are open to the public. The Board also conducts a public hearing on the recommended budget to obtain comments from interested persons.
- 2) Prior to July 1, the budget is adopted through the passage of a resolution.
- 3) From the effective date of the budget, the amounts stated therein, as recommended expenditures become appropriations. The Board of Trustees may amend the budget by motion during the fiscal year.

The District does not use encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.





**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE LAST TEN FISCAL YEARS***

	<u>Miscellaneous</u>	<u>Miscellaneous</u>	<u>Miscellaneous</u>	<u>Miscellaneous</u>	<u>Miscellaneous</u>
	2023	2022	2021	2020	2019
Proportion of the Net Pension Liability	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %
Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	\$ -	\$ -	\$ -	\$ -	\$ -
Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	%	%	%	%	%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	- %	- %	- %	- %	- %

NOTES TO SCHEDULE:

Changes of Assumptions:

For the measurement period ending June 30, 20XX the discount and investment rates were 6.90 percent, Investment rate is not same as prior year.

*Historical information is required only for measurement for which GASB 68 is applicable. Future years' information will be displayed up to 10 years as information becomes available.





**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE LAST TEN FISCAL YEARS***

	<u>Miscellaneous</u>	<u>Miscellaneous</u>	<u>Miscellaneous</u>	<u>Miscellaneous</u>
	2018	2017	2016	2015
Proportion of the Net Pension Liability	0.00000 %	0.00000 %	0.00000 %	0.00000 %
Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	\$ -	\$ -	\$ -	\$ -
Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	%	%	%	%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	- %	- %	- %	- %

NOTES TO SCHEDULE:

Changes of Assumptions:

For the measurement period ending June 30, 20XX the discount and investment rates were 6.90 percent, Investment rate is not same as prior year.

*Historical information is required only for measurement for which GASB 68 is applicable. Future years' information will be displayed up to 10 years as information becomes available.





**SCHEDULE OF PLAN CONTRIBUTIONS
FOR THE LAST TEN FISCAL YEARS***

	Miscellaneous 2023	Miscellaneous 2022	Miscellaneous 2021	Miscellaneous 2020	Miscellaneous 2019
Actuarially Determined Contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution in Relation to the Actuarially Determined Contribution	-	-	-	-	-
Contribution Deficiency/(Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a Percentage of Covered Employee Payroll	%	%	%	%	%

*Historical information is required only for measurement for which GASB 68 is applicable. Future years' information will be displayed up to 10 years as information becomes available.





**SCHEDULE OF PLAN CONTRIBUTIONS
FOR THE LAST TEN FISCAL YEARS***

	Miscellaneous 2018	Miscellaneous 2017	Miscellaneous 2016	Miscellaneous 2015
Actuarially Determined Contribution	\$ -	\$ -	\$ -	\$ -
Contribution in Relation to the Actuarially Determined Contribution	-	-	-	-
Contribution Deficiency/(Excess)	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	\$ -	\$ -	\$ -	\$ -
Contributions as a Percentage of Covered Employee Payroll	%	%	%	%

*Historical information is required only for measurement for which GASB 68 is applicable. Future years' information will be displayed up to 10 years as information becomes available.





COMPLIANCE SECTION





**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

ATTN
Client Name
City, State

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Client Name, Crescent City, California (the District) as of and for the year ended June 30, 20XX, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated Report Date.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.





Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**San Diego, California
Report Date**





**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED**

There are no findings related to the financial statements.





**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED**

There are no prior year findings related to the financial statements.





Proposal to Provide Professional Auditing Services

Proposed Timeline for Fieldwork and Final Reporting:

Harshwal & Company, LLP is prepared to meet the deadlines required.

Milestones	FY 2024
Planning, risk assessment and system evaluation	Mid of April
Interim audit fieldwork	2nd week of May or before
Final audit fieldwork and audit work to be completed	Last week of August or before
Draft audit reports to Staff	1st week of October or before
Draft audit reports to Board of Directors	1st week of November or before
Final audit reports and management letters	15th December or before

- *The timeline is reasonable given the totality of work involved and our managers being highly qualified and trained. We will follow the same system to get work done throughout the five years requested.*
- *This timeline is dependent on the availability of your personnel and is subject to the anticipated closing your accounting records.*





FIRM'S TECHNICAL EXPERIENCE

Harshwal & Company, LLP has performed numerous audits of special districts, state and local governments, counties, tribes and tribal governments, housing authorities, not-for-profit organizations, and educational entities etc., that are subject to financial, compliance, and single audits. The following is a list of clients.

Special Districts

- Big Rock community service district
- Del Norte Library District
- Gasquet Community Services District
- San Miguel Community Services District
- Buena Park Library District
- Humboldt Bay Harbor, Recreation and Conservation District
- San Dieguito River Park Joint Powers Authority
- Aromas Tri-County Fire Protection District
- Cypress Fire Protection District
- South Monterey County Fire Protection District
- Rodeo-Hercules Fire District
- Coastside Fire Protection district
- Alameda County Fire Department
- SCC Center Fire Protection District
- Cupertino Sanitary District
- Valley of the Moon Water District
- Plumas County Community Development Commission
- Loma Prieta Resource Conservation District
- Burbank Sanitary District
- Artesia Cemetery District
- Guadalupe Coyote Resource Conservation District
- First 5 Inyo County
- First 5 Santa Cruz County
- Yolo Local Agency Formation Commission
- Oakland-Alameda County Coliseum Authority
- Los Altos Hills County Fire District
- Santa Clara County Sanitation District 2-3
- Alameda County Community Development Department
- Goshen Community Services District
- Lions Gate Community Service District
- Sunrise Recreation & Park District
- Ambrose Recreation and Park District
- Saratoga Fire Protection District
- Paradise Recreation and Park District
- Mission Oak Park and Recreation District
- Fort Dick Fire Protection District
- Smith River Fire Protection District
- Carmel Highlands Fire Protection District
- Crescent Fire Protection District
- South Santa Clara Co. Fire District
- Menlo Park Fire Protection District
- Central Basin Municipal Water District
- El Rancho Simi Cemetery District
- Alameda County Law Library
- Bardsdale Cemetery District
- Border Coast Regional Airport Authority
- Del Norte Solid Waste Management Authority
- Del Norte Local Transportation Commission
- Perris Valley Cemetery District
- Redwood Empire Dispatch Communications Authority
- West Contra Costa Integrated Waste Management Authority
- Santa Clara County Vector Control District
- Los Medanos Community Health Care District
- Alameda County Housing and Community Development
- East Palo Alto Sanitary District
- Solano County Local Transportation Fund
- Fox Canyon Groundwater Management Agency





State and Local Governments

- County of Del Norte
- City of San Mateo
- Town of Apple Valley
- City of Sanger
- City of Oakland
- City of East Palo Alto
- City of Crescent City
- City of Vallejo
- County of Santa Clara
- Cibola County
- Sierra County
- First 5 Santa Cruz County
- First 5 Inyo County
- First 5 Alameda County
- First 5 Marin Children & Families Commission
- First 5 Monterey County
- First 5 San Bernardino
- Town of Edgewood
- Town of Springer
- Town of Mesilla
- Town of Cochiti Lake

Housing Entities

- Housing Authority of County of San Mateo
- Santa Clara Pueblo Housing Authority
- Greyhills Academy High School
- Housing Authority of the City of Port Hueneme
- Eastern Regional Housing Authority
- White Mountain Apache Housing Authority
- Housing Authority of the City of Benicia
- County of Humboldt Housing Authority
- Housing Authority of the County of Alameda
- Sisseton Wahpeton Housing Authority
- Pueblo of San Felipe Housing Authority
- Housing Authority of the County of Butte
- Housing Authority of the City of Richmond
- City of Eureka Housing Authority

Private Entities

- Tots Of Love Child Development Center, LLC
- The Good Earth Organics, Inc.
- The Child Day Schools, LLC
- Optimize Infrastructure, LLC
- Newport Holdings, L.P.
- Eureka Housing Associates, LP
- Nelson Trucking Partners, LLC
- TerraVerde Energy, LLC
- Juana Care Facility, LLC
- Solace Supportive Living, Inc.
- Thomas Jee & Associates, Inc.
- Vvd Partners, LLC
- RADAR Creative

COUNTIES

Santa Cruz County

- Single Audit
- Mental Health - Short Doyle Program

Del Norte County

- Del Norte County
- Del Norte County Solid Waste Management Authority





Proposal to Provide Professional Auditing Services

Santa Clara County

- Single Audit (Sub Contractor)
- County of Santa Clara JTPA Program
- Mental Health Short Doyle Program
- Sheriff's Department – Inmate Welfare Fund

County of Alameda

- Alameda County Housing and Community
- Community Based Organization Audits
- Development and Lead Poisoning Prevention
- Alameda County Public Works Department
- Alameda County Housing and Community Development - Bond Audit
- Alameda County Social Services - Food Stamp
- Oakland-Alameda County Coliseum Authority
- Alameda County Health Care Services Agency
- Alameda County Auditor-Controller's Agency
- City of Oakland, Office of Public Works
- Alameda County Fire Department
- Alameda County Transportation Authority

County of San Mateo

- JTPA Program
- Menlo Park Fire Protection District
- Department of Community Services

Solano County

- City of Vallejo (Sub Contractor)
- Local Transportation Fund
- Mental Health - Short Doyal Program

Contra Costa County

- Public Works Department
- Emergency Medical Services

Pension Plan Clients

- Baker's (Retirement Plan-403 B)
- The Athenian School (403B) Plan
- Native American Health Center, Inc. (403B)
- Akshaya Inc.(401K)
- Burning Man Project (401k) Plan
- Fulfilment Systems, Inc. (401)
- Hammer Prep (401k) Plan
- Kai Ming, Inc. (403B)
- Kickapoo Tribe of Oklahoma (401K) Plan
- East Bay Agency for Children 403(b)
- Sysintelli, Inc. (401k) Plan
- Fundbox Inc. (401)
- Hog Island Oyster Company (401k) Plan
- Luxesphere Holdings, Inc. (401k) Plan
- Skywalker Properties (401k) Plan
- Storage Pro (401k) Plan
- United Indian Health Services, Inc. (403B) Plan
- Mission Neighborhood Centers (403B) Plan





Tribes and Tribal Entities

- Omaha Tribe of Nebraska
- Hoopa Valley Tribe
- Big Sandy Rancheria
- Robinson Rancheria Band of Pomo Indians
- KTNN Native Broadcast Enterprise
- K'ima: w Medical Center
- Village of Shungopavi
- Kykotsmovi Village
- California Tribal T.A.N.F Partnership
- La Jolla Band of Luiseño Indians
- Kickapoo Tribe of Oklahoma
- Timbisha Shoshone Tribe
- Sac and Fox Nation
- Pauma Band of Luiseno Mission Indians
- Kickapoo Tribal Health Center of the Kickapoo Tribe of Oklahoma
- Kashia Band of Pomo Indians of the Stewarts Point Rancheria
- Yuwehloo Pahki Community
- San Luis Rey Indian Water Authority
- Sipaulovi Village
- Village of Sichomovi
- Cloverdale pomo band of Indians

Non-Profit Organizations

- New Bridge Foundation
- San Francisco Community Clinic Consortium
- Hopi Credit Association
- Ruckus Society
- San Francisco BayKeeper
- Chinese for Affirmative Action
- Community Clinic Consortium
- Manzanita Charter School
- San Diego Civic Youth Ballet
- Greater Farallones Association
- Santa Clara Teacher Housing Foundation
- Mother Lode Job Training
- Eden United Church of Christ
- Health and Human Resource Education Center
- California Hispanic Chambers of Commerce
- California Municipal Utilities Association
- San Diego Organizing Project
- Family Paths, Inc.
- Consolidated Tribal Health Project Inc.
- South County Community Health Center, Inc.
- A&I Transport Inc.
- Access Reproductive Justice
- Alameda County Deputy Sheriffs Activities League
- Santa Cruz County Parents Association
- American Nonsmokers' Rights Foundation
- Allen Temple Baptist Church
- Baker's Palace
- Maisha Meds, Inc.
- Native American Health Center, Inc.
- United Way of Santa Cruz County
- ICON Community Development Corporation
- Oakland Metropolitan Chamber of Commerce
- Gluon Solutions, Inc.
- Youth Together, Inc.
- TerraVerde Energy
- Luxesphere Holdings, Inc. and Subsidiaries
- FOOD FIRST/Institute for Food & Development
- RFHC Bay Pulgas Landowner, Inc.
- Institute for Molecular Medicine
- Key Educational Group
- Oakland Community Organizations, Inc.
- Mnc 1240 Valencia Inc.
- American Federation Of State, County & Municipal Employees Local 2428
- Anti Terror Project, Inc.
- Artequity Community





Proposal to Provide Professional Auditing Services

- A & I Express Inc.
- California College of Communications, Inc.
- Center For Third World Organizing
- Center for Youth Development through Law
- Consolidated Tribal Health Project, Inc.
- Countywide Alcohol and Drug Services, Inc.
- Crowden Music Center
- Digital Democracy
- East Oakland Switchboard
- Family Bridges Inc.
- Gallup Inter-Tribal Indian Ceremonial Association, Inc.
- Hopi Credit Associations
- IIT Kanpur
- IIT Bombay Heritage Foundation
- IIT Madras Foundation
- Mary Magdalene Community Services
- New Mexico Cancer Care Alliance
- Pacific Center for Human Growth
- Rwanda School Project
- Solano Coalition for Better Health
- The Estria Foundation
- Tohatchi Area of Opportunity & Services, Inc.
- Women's Daytime Drop-In Center
- St. James Infirmary
- Redwood Region Economic Development Commission
- Veterans Accession House
- San Carlos Apache Relending Enterprise
- Life Long Medical Care
- Family Resource Center of the Redwoods
- Transcendance Youth Arts Project
- North East Medical Services
- Over 60/CEI, Inc.
- Indian Health Center of Santa Clara Valley
- Bay Area Center for Law and The Deaf
- Bay Area Community Services
- Bay Area Lupus Foundation
- San Diego Civic Youth Ballet
- The Center for Empowered Politics
- Tolani Lake Enterprises
- California Hispanic Chambers Of Commerce Foundation
- Carbon Offsets to Alleviate Property
- Centro Latino de San Francisco
- Community Health Partnership, Inc.
- Court Appointed Special Adocates Program, Inc.
- DayBreak Adult Care Centers
- Dominican Sisters Vision of Hope
- Eden Area Foundation
- Faith in Action Bay area
- Grand Lodge of California
- Heffernan Foundation
- Hiawatha Harris M.D, Inc.
- Just Cities Institutes
- Lakeshore Avenue Baptist Church
- Mission Language & Vocational School
- North County Lifeline Inc.
- Our Common Ground Inc.
- Pawnee Nation College
- Redwoods Rural Health Center
- Sikh Gurdwara San Jose
- Sustainable Economies Law Center
- Sustainable Sciences Institute
- V- Day
- Vascular Cures and Pacific Vascular Research Institute
- El Centro de Libertad/The Freedom Center
- Preserving Alameda County Housing, Inc.
- Downtown Action Team
- Lincoln Child Center
- PICO National Network
- PICO Action Fund
- Family Service of San Leandro
- Bay Area Young Positives
- California Anchor Residence Group Home
- Healthy Black Families
- Jessica Broitman Foundation
- Urgent Action Fund
- Kickapoo Head Start Inc.





Educational Entities

- Pleasant Valley School District
- Lamont School District
- EL Segundo Unified School District
- Nazlini Community School
- Sacramento Valley Charter School
- First Mesa Day School
- La Honda-Pescadero Unified School District
- Ravenswood City School District
- Napa Valley Unified School District
- Fairfield-Suisun Unified School District
- Benicia Unified School District
- Belmont-Redwood Shores School District
- Richland School District
- Conejo Valley Unified School District
- Azusa Unified School District
- Spark* SF Public Schools
- Pinon Community School, Inc.
- San Mateo - Foster City School District
- Brisbane School District
- Jefferson School District
- San Bruno Park School District
- Jefferson Union High School District





Proposal to Provide Professional Auditing Services

Single Audit Experience

Harshwal & Company, LLP works with numerous organizations that receive extensive governmental funding and are subject to auditing under Uniform Grant Guidance, formerly known as OMB Circular A-133 guidelines. We utilize standardized audit programs from the federal government's Compliance Supplement to ensure that our procedures meet the federal standards. Our audit programs are continually updated to reflect the revisions of OMB. Our Uniform Guidance risk-based approach focuses on areas of higher risk of noncompliance. Such approach truly reflects the federal government intent by concentrating on the following three steps:



Our firm has audited hundreds of millions of dollars in federal expenditures, making our engagement team uniquely experienced in single audits. We are familiar with grantors, such as:

- Corporation for National and Community Services
- Department of Agriculture
- Department of Health and Human Services
- Department of Housing and Urban Development
- Department of Transportation
- Environmental Protection Agency
- Department of Commerce
- Department of Labor
- Department of Homeland Security
- Department of Justice
- Department of Treasury
- U.S. Department of the Interior
- Department of Energy

Governmental Audit, CAFR & GASB Experience

Harshwal & Company, LLP has extensive experience conducting financial statement audit engagements under Generally Accepted Auditing Standards (GAAS) and Government Auditing Standards (GAS), and implementing GASB 34 and all subsequent pronouncements, through the performance of nearly 600 governmental audits since the effective date of GASB 34 implementation.

Harshwal & Company, LLP has valuable experience handling Comprehensive Annual Financial Report (CAFR) engagements. Our Managing Partner, Mr. Sanwar Harshwal, has served on GASB committees and in other authoritative positions. At Harshwal & Company, LLP, we are committed to delivering exceptional service and leveraging our CAFR experience to ensure that our client's financial statements are accurate, transparent, and compliant with applicable standards and regulations.





REFERENCES

The best indicator of our ability is our success in meeting the needs of our current and past clients. We encourage you to contact these references to inquire about the quality of our services, their overall satisfaction, the effectiveness of our accounting and auditing approach, the abilities of our professionals, and the timeliness and overall value of our services. We would be happy to provide additional references upon request, if you would like.

1. Humboldt Bay Harbor, Recreation and Conservation District

- **Principal Contact:** Larry Oetker, Executive Director
- **Phone Number:** (707) 443-0801 Ext. 115
- **E-Mail:** loetker@humboldtbay.org
- **Size of Enterprise Fund Budget:**
- **Size of Government Fund Budget:**
- **Size of Agency Finance Department Staff:**
- **Scope:** Audit of Financial Statement and Single Audit and FTR filing

2. Buena Park Library District

- **Principal Contact:** Marina Tutty, Business Officer
- **Phone Number:** (714) 826-4100
- **E-Mail:** businessofficer@buenapark.lib.ca.us
- **Size of Enterprise Fund Budget:**
- **Size of Government Fund Budget:**
- **Size of Agency Finance Department Staff:**
- **Scope:** Audit and preparation of the Basic Financial Statements and FTR Filing

3. Valley of the Moon Water District

- **Principal Contact:** Oscar Madrigal, Finance Manager
- **Phone Number:** (707) 996-1037
- **E-Mail:** omadrigal@vomwd.org
- **Size of Enterprise Fund Budget:**
- **Size of Government Fund Budget:**
- **Size of Agency Finance Department Staff:**
- **Scope:** Audit of the Financial Statement and FTR filing





FEE INFORMATION

Total All-Inclusive Maximum Fee

Our fees are generally lower than other competing firms since we keep our overhead low; we follow a scientific audit approach and we make extensive use of emerging technologies that allow us to conduct audits efficiently. Our policy is to provide you with exceptional service that meets and exceeds professional auditing standards at a competitive cost.

➤ *Cost sheet is attached below.*





Proposal to Provide Professional Auditing Services

Phelan Piñon Hills Community Services District

RFP for Professional Auditing Services

NOT TO EXCEED PRICE FOR PROPOSED SERVICES SCHEDULE

In accordance with the Request for Proposal for Audit Services issued by Phelan Piñon Hills Community Services District, the firm referenced below hereby submits the following cost proposal:

Basic Reports to Be Issued	Year Ended June 30th				
	2024	2025	2026	2027	2028
District Audit, including ACFR, Management Letter, and Memo of Internal Controls	21,000	22,050	23,155	24,315	25,530
Annual Report to State Controller	2,000	2,100	2,205	2,315	2,430
Total	23,000	24,150	25,360	26,630	27,960

In addition, please include below an hourly fee quotation and hours proposed for all positions to be assigned to the audit:

	Hours	Hourly Rate
Partners	10	400
Managers	12	275
Supervisory Staff	18	275
Professional Staff	28	175
Clerical/Support Staff	42	120
Other	9	90

I hereby certify that the undersigned is authorized to represent the firm stated above, is empowered to submit this bid, and if selected authorized to sign a contract with the Phelan Piñon Hills Community Services District, for the services identified in the Request For Proposals.

Firm Name: Harshwal & Company, LLP
 Signature:
 Printed Name: Sanwar Harshwal
 Title: Managing Partner
 Date: January 11, 2024





Proposal to Provide Professional Auditing Services

Rates for Additional Professional Services

We will perform additional work only if set forth in an addendum to the contract between the District and our firm. Our fees for the additional services, if required, will be based on the actual time spent by professional or administrative personnel at quoted hourly rates, specified above. Our standard hourly rates vary according to the degree of responsibility involved, and the experience level of the personnel assigned.

Manner of Payment

Progress billings will be sent on the basis of actual audit work completed during the course of the engagement. Interim billings do not cover a period of less than a calendar month. We do not bill for out-of-pocket expenses as they are included in our stated all-inclusive maximum price. We do not post separate rate structures for municipal audit work. We view this work as being every bit as important and valuable as the work we perform for other clients and we put our best people on it. Any consulting work you request will be performed at the same rates as our audit work.

We have provided you a fee estimate based on the following assumptions:

- The accounting records will be in balance and supported by appropriate documentation;
- The District's staff will provide the supporting schedules for all asset and liability accounts;
- The District staff will provide general assistance, such as locating documents, typing confirmation requests, and coordinating meetings.





Proposal to Provide Professional Auditing Services

Benefits of Choosing Harshwal & Company, LLP

Harshwal & Company, LLP is recognized for its professionalism, integrity, and providing clients with effective resolutions for their unique 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. Harshwal & Company, LLP's main objective is always to provide the District with 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 mind-set allows us to provide a superior level of service. We trust that this proposal has given you the information you need about the firm, the engagement team members, overall audit approach, cost-saving measures, and audit fees. We are committed to exceeding your expectations, and we look forward to bringing our experience and expertise to the District and providing you with the excellent level of service that you expect and deserve.

Inherent in our service is the on-going support, education, and advice to our clients. The comprehensive service includes:

- Email updates on all new and pertinent developments.
- A careful review of the effects of these new developments (if any), on your particular circumstances. If necessary, we will advise you on any changes needed in accounting procedures.
- We will meet with the Finance Department head at the beginning of the audit to advise on matters of particular interest. We will provide "best practices" for effective daily operations that will also provide information necessary for the financial statements.
- Throughout the audit, we will advise your accounting personnel on best practices for maximum efficiency in each major operational area.

"Keeping in touch with" is the hallmark of our service. You will receive phone calls, emails, and information through the Harshwal & Company, LLP portal on a consistent and regular basis.



**PROPOSAL FOR PROFESSIONAL AUDITING SERVICES
Phelan Pinon Hills Community Services District**

**For the Fiscal Years Ending
June 30, 2024-2026
(with option for two subsequent years)**



Respectfully Submitted on January 16, 2024 by:

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

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

Let's Work Together!



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

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January 16, 2024

Lori Lowrance, AGM/CFO
Phelan Pinon Hills Community Services District
4176 Warbler Road
Phelan, CA 92371

Dear Ms. Lowrance:

Thank you for the opportunity to submit this proposal to provide audit services for the Phelan Pinon Hills Community Services District (District). Our understanding of the work to be done is: the annual audit of the District's financial statements for the fiscal years ending June 30, 2024-2026, with an option to extend for two additional years. Based on our history with other community services districts, I believe our firm would be a great fit, and we would develop a great working relationship. Our staff works hard to help ensure our audits are completed with the highest level of service and meet all deadlines.

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

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

- **Credibility, Reputation, and Resources of a Large Firm** without sacrificing the small-firm touch. Our CPAs and consultants can help you analyze and address financial, operational, and regulatory issues so you can focus attention on serving your citizens. We were originally formed in 1999, and now perform annual audits for approximately 100+ public agencies annually.
- **State-Wide Reach with Local Presence.** At Nigro & Nigro, we have the benefit of having the resources of a state-wide firm while serving you from our Murrieta (Headquarters) office. We also have an office in Walnut Creek for additional resources.
- **Efficiency.** Our use of portal software allows you to upload audit documentation at any time, which will minimize disruption to your staff and enable timely completion of all deliverables.

- **An Efficient and Effective Work Plan.** We currently serve over 100+ governmental entities statewide, which enables our staff to understand the scope of the audit. We also understand the District's complexities, not just from a compliance standpoint but also from an operational point of view. We have developed an effective work plan that takes into consideration your needs for high quality audit services, as well as timely deliverables. As a result of our efficient work plan, we commit to meeting your deadlines to complete our auditing services within the time period you specify.
- **Thought Leadership.** Members of our firm have been actively involved as presenters in numerous industry conferences and programs, including the GFOA, CSDA, and CSMFO. We have incorporated our experience with these committees into our audit framework.
- **Engagement Team.** We know that quality people drive quality results, which is why our commitment to you starts with the engagement team members who are selected based on their experience, focus on serving local government agencies, and who are the best fit for you. Each of the District's engagement team members have completed and exceeded the mandatory requirement for continuing professional education hours as requested in the RFP. Paul Kaymark, Partner, will be the main contact for the District regarding this project.
- **A Focus on Providing Consistent, Dependable Service to Government Entities.** Nigro & Nigro is organized by industry, affording our clients with industry-specific expertise supplemented by valuable local service and insight. Therefore, the District will enjoy the service of members of our Governmental Audit Services Team who have experience with similar governmental entities and understand the issues and environment critical to you. You will not have to train our auditors.

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

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

Sincerely,



Paul J. Kaymark, CPA
Audit Services Partner



LICENSE TO PRACTICE IN CALIFORNIA

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

PROFILE OF THE FIRM

Statement of Independence

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

Experience

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

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

Areas of specialization include:

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

PROFILE OF THE FIRM (CONTINUED)

Size of Our Firm

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

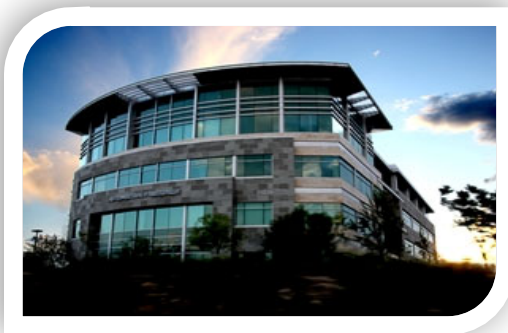
Position	Number of Employees	Number of Licensed CPA's
Partner*	7	7
Senior Manager	1	1
Manager	3	1
Supervisor	1	-
Senior	8	1
Associates	10	-
Support Staff	3	-
Total	33	10

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

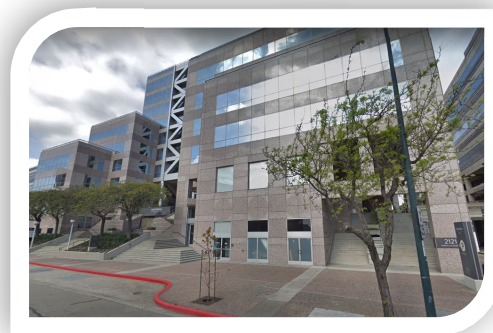
Size and Location of Offices

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

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



MURRIETA OFFICE



WALNUT CREEK OFFICE

Range of Activities Performed

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

PROFILE OF THE FIRM (CONTINUED)

Peer Review

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

Meet Your Audit Leadership Team

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

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

Paul J. Kaymark, CPA

Lead Audit Partner

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

Audit Services:

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

Consulting Services:

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

Special District Accounting:

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

Financial Reporting:

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

Some Agencies Served:

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



California Special Districts Association

Districts Stronger Together

CSDA Workshop Speaker



Education:

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

Licenses and Certifications:

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

Professional Affiliations:

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

Continuing Education:

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

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



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

Water and Wastewater

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

Water and Wastewater, continued

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

Peter Glenn, CPA

Review Partner

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

Audit Services:

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

Consulting Services:

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

Special District Accounting:

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

Financial Reporting:

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

Other Agencies Served:

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



Education:

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

Licenses and Certifications:

- Certified Public Accountant, California

Continuing Education:

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



Jared Solmosen, CPA

Senior Manager

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



Audit Services:

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

Consulting Services:

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

Special District Accounting:

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

Financial Reporting:

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

Other Agencies Served:

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

Education:

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

Licenses and Certifications:

- Certified Public Accountant, California

Continuing Education:

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

Additional Areas:

- Tax preparation
- QuickBooks knowledge

Stacy Macias, CPA

Manager

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

Audit Services:

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

Consulting Services:

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

Financial Reporting:

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

Additional Areas:

- Tax preparation
- QuickBooks knowledge

Other Agencies Served:

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



Education:

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

Licenses and Certifications:

- Certified Public Accountant, California

Continuing Education:

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

Anabel Cruz, CPA

Audit Senior

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



Audit Services:

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

Consulting Services:

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

Financial Reporting:

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

Other Agencies Served:

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

Education:

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

Licenses and Certifications:

- Certified Public Accountant, California

Continuing Education:

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

PROFILE OF THE FIRM (CONTINUED)


Training & Resources

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

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

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

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



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

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

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

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

PROFILE OF THE FIRM (CONTINUED)

Similar Engagements with Other Special Districts

We currently conduct over 100+ government audits each year and have well rounded experience with local governmental agencies. We are excited for the opportunity to devote our attention to you and your specific needs. Below is a partial list of some similar governmental clients we are currently auditing.

Please contact our clients for a Reference of our services!

Let's start with our Community Service District clients:

Stallion Springs CSD – Jenni Morris – 661-822-3268
(4 Govt Funds & 3 Enterprise Funds) (3 in Accounting Dept)
Templeton CSD – Natalie Klock – Finance Officer – 808-434-4900
(4 Govt Funds and 4 Enterprise Funds) (3 in Accounting Dept)
Kensington Police Protection & CSD – Cindy Byerrum – 909-204-8858
(1 Govt Fund) (Outsourced Accounting)
Santa Ynez CSD – Kristi Even – 319-939-1566
(1 Sewer Fund) (Outsourced Accounting)

ACFR Preparation Clients:

Costa Mesa Sanitary District – Kaitlin Tran, FM (949) 645-8400
Hi-Desert Water District – Tanya Gruwell, CFO (760) 228-6271
Las Gallinas Valley Sanitary District – Dale McDonald, ASM (415) 526-1519
Scotts Valley Water District – Nicolas Kuns, FM (831) 600-1904
Trabuco Canyon Water District – Michael Perea, AGM (949) 858-0277

Other Water District Clients:

Calleguas Municipal Water District – Dan Smith, MAS – (805) 579-7132
Montecito Water District – Olivia Rojas, BM (805) 969-2271
Rowland Water District – Myra Malner, DF (562) 697-1726

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

SCOPE OF THE AUDIT

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

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

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

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

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

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

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

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

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

SCOPE OF THE AUDIT(CONTINUED)

Segmentation of Engagement

STEP 1: Planning

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

STEP 2: Interim Field Work

Internal Control Documentation

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

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

STEP 3: Final Fieldwork

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

Assess Risks and Design Procedures

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

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

Interim and Year End Testing

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

STEP 4: Audit Completion

Preparation of Audit Report and Management Letter

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

SCOPE OF THE AUDIT (CONTINUED)

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

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

Date/Segment	Total Hours			Total
	Partner/Manager	Supervisor	Staff/Admin	
April/May				
Preliminary planning and fieldwork	8	8	10	26
May/June				
Interim fieldwork	12	8	18	38
September/October				
Final fieldwork, report preparation, review, finalization, and presentation	30	24	55	109
Total hours	50	40	83	173
Preliminary planning and fieldwork	8	8	10	26
Control	12	8	18	38
Substantive	20	12	45	77
Reporting	10	12	10	32
	50	40	83	173

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

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

Type and Extent of Analytical Procedures to be Used

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

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

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

SPECIFIC AUDIT APPROACH (CONTINUED)

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

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

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

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

Approach to be Taken in Drawing Audit Samples


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

Use of Technology/Remote Proficiency

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

Proposing Firm Warranties

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



Paul J. Kaymark, CPA
Audit Services Partner

AUDIT FEES

Professional	Hours	Rates		Total
		Standard	Quoted	
Partner	20.00	\$ 225.00	\$ 200.00	\$ 4,000.00
Manager	30.00	200.00	175.00	5,250.00
Senior	40.00	175.00	150.00	6,000.00
Staff Members	78.00	150.00	125.00	9,750.00
Admin	5.00	125.00	100.00	500.00
Subtotal	173.00			25,500.00
Out-of-Pocket - Included in Rates (We Are Local)				-
Total Max				\$ 25,500.00

Fiscal Year	FY 2024	FY 2025	FY 2026	Total
District ACFR	\$ 24,000	\$ 24,000	\$ 24,000	\$ 72,000
State Controller's	\$ 1,500	\$ 1,500	\$ 1,500	\$ 4,500
Total	\$ 25,500	\$ 25,500	\$ 25,500	\$ 76,500

Same Price for FY 2027 and FY 2028

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

ADDITIONAL INFORMATION

Testimonial

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

*Deana Miller
Accounting Manager
PolyCera, Inc.*

Fraud Hotline



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

NOT TO EXCEED PRICE FOR PROPOSED SERVICES SCHEDULE

In accordance with the Request for Proposal for Audit Services issued by Phelan Piñon Hills Community Services District, the firm referenced below hereby submits the following cost proposal:


Basic Reports to Be Issued	Year Ended June 30th				
	2024	2025	2026	2027	2028
District Audit, including ACFR, Management Letter, and Memo of Internal Controls	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000
Annual Report to State Controller	1,500	1,500	1,500	1,500	1,500
Total	\$25,500	\$25,500	\$25,500	\$25,500	\$25,500

In addition, please include below an hourly fee quotation and hours proposed for all positions to be assigned to the audit:

	Hours	Hourly Rate
Partners	20	\$200
Managers	30	\$175
Supervisory Staff	40	\$150
Professional Staff	78	\$125
Clerical/Support Staff	5	\$100
Other		

I hereby certify that the undersigned is authorized to represent the firm stated above, is empowered to submit this bid, and if selected authorized to sign a contract with the Phelan Piñon Hills Community Services District, for the services identified in the Request For Proposals.

Firm Name: Nigro & Nigro, PC

Signature: 

Printed Name: Paul J Kaymark, CPA

Title: Audit Services Partner

Date: January 16, 2024



ADDITIONAL DOCUMENTS



Report on the Firm's System of Quality Control

To Nigro & Nigro, PC
and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Nigro & Nigro, PC (the firm) in effect for the year ended August 31, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

Firm's Responsibility

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

Peer Reviewer's Responsibility

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

Required Selections and Considerations

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

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

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Nigro & Nigro, PC in effect for the year ended August 31, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency (ies)*, or *fail*. Nigro & Nigro, PC has received a peer review rating of *pass*.

June 11, 2021



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

8/1/2023

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

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

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

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

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	X	X	BZS64971750	8/15/2023	8/15/2024	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 500,000 MED EXP (Any one person) \$ 15,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY	X	X	BAS64971750	8/15/2023	8/15/2024	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$			ESA64971750	8/15/2023	8/15/2024	EACH OCCURRENCE \$ 3,000,000 AGGREGATE \$ 3,000,000
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	QWC1302193	8/15/2023	8/15/2024	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
D	Cyber Insurance			C-4MQ8-065674-CYBER-2023	8/24/2023	8/24/2024	\$1,000,000

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

CERTIFICATE HOLDER**CANCELLATION**

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

AUTHORIZED REPRESENTATIVE

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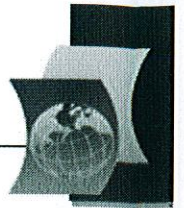


Ivan Sotomayor, Managing Partner
P: (626) 397-4900 | F: (626) 397-4908
ivans@sotomayorcpa.com

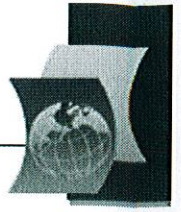
Phelan Piñon Hills CSD

4176 Warbler Rd.
PO Box 294049
Phelan, Ca 92329

RFP: Professional Auditing Services
For fiscal years ending June 30, 2024, 2025 & 2026
with the option for two additional one-year periods



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Sotomayor & Associates LLP

Certified Public Accountants

699 Hampshire Road, Suite 101

Westlake Village, CA 91361

(626) 397-4900

Fax: (626) 397-4908

sotomayor@sotomayorcpa.com

www.sotomayorcpa.com

LETTER OF TRANSMITTAL

December 29, 2023

Phelan Piñon Hills CSD
RFP: Professional Auditing Services
For fiscal year ending June 30, 2024, 2025 & 2026
with the option for two additional one-year periods

Sotomayor & Associates, LLP is pleased to have the opportunity to submit our bid to provide auditing services for the Phelan Piñon Hills CSD (District). We have thoroughly read the Request for Proposal and will perform the services set forth in the RFP.

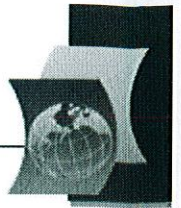
We understand the work to be performed are professional auditing services for the Phelan Piñon Hills CSD of its financial statements for the fiscal years ending June 30, 2024 through June 30, 2026.

The District's intent is to enter into a series of one-year contracts for a period of 3-years, subject to satisfactory performance, with potential 2-year extensions, at the option of the District.

The audit will be conducted in accordance with Generally Accepted Auditing Standards as set forth by the American Institute of Certified Public Accountants; the standards for financial audit set forth by the U.S.

General Accounting Office's Government Auditing Standards; the provisions of the single Audit Act of 1984 and as amended in 1996 and the provision of the U.S. Office of Management and

Client: Phelan Piñon Hills CSD
RFP for Professional Auditing Services



Budget (OMB) UNIFORM Guidance, audits of States, Local Governments and Non-Profit Organizations, Audits of State and Local Governments.

Sotomayor & Associates, LLP and its staff are licensed in the State of California. The assigned personnel for this engagement are independent of the Phelan Piñon Hills CSD and its component units as defined by generally accepted auditing standards of the United States of America and U.S. Government Accountability Office's (GAO) Government Auditing Standards. We have no conflict of interest with regard to any other work performed by the firm for the District.

Mr. Ivan Sotomayor, Managing Partner, is empowered to act on behalf of Sotomayor & Associates, LLP and is authorized to oblige the firm contractually. He can be reached at: 699 Hampshire Road, Suite 101, Westlake Village, CA 91361, (626) 397-3900 Fax (626) 3974908, ivans@sotomayorcpa.com . This proposal is a firm and irrevocable tender from our firm for one hundred and eighty (180) days. Thank you for the opportunity to present this RFP and hopefully serve the Phelan Piñon Hills CSD.

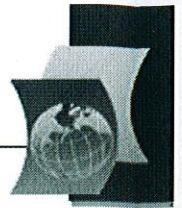
We look forward to the next step in the process and having a long and mutually beneficial association with the Phelan Piñon Hills CSD.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Ivan Sotomayor', written over a horizontal line.

Ivan Sotomayor, CPA, Managing Partner,

Sotomayor & Associates, LLP



SECTION 1: FIRM'S QUALIFICATIONS

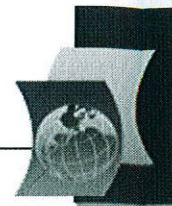
Firm Profile: Sotomayor & Associates, LLP (S&A) was founded in 1992 and is located at 699 Hampshire Road in Westlake Village, California. We are an international CPA firm with offices in the United States, and representative offices in the Dominican Republic, Colombia, Peru, Mexico, and Brazil. Since the firm's inception, Sotomayor has proven continuous growth, with annual revenue of \$1,363,043 in 2014, to an increase of \$1,450,861 in 2022. S&A is a full-service professional firm, currently with employees in its Westlake Village office and over two decades of public accounting experience. Over the past twenty-five years, Sotomayor & Associates, LLP has built a renowned reputation for providing excellent professional services. Our efforts have been recognized by the Los Angeles Business Journal in the "Top 100 Minority-Owned Business in Los Angeles County" from 2012 through 2022 "Top 100 Accounting Firms in Los Angeles County" in 2022, as well as nominated as a finalist in the Los Angeles Business Journal Latino Business Awards every year since 2013. In addition, in 2023 Sotomayor got recognized by the CIO magazine as one of the top 10 compliance firms in Latin America.

Our Government Division is devoted to providing quality accounting and auditing services to cities, counties, redevelopment agencies, public utilities companies, joint power authorities and other special districts, including Community College District. Approximately 30% of our business is devoted to municipal clients. Further examples of our experience include superior courts, utility companies (compliance audits under the regulations of the CPUC, and labor audits under the regulations of the State of California), currently we are the auditors for the LA METRO Sepulveda Basin Sky Rail Project, housing, and Housing Urban Development (HUD) agencies. Our services include financial audits, single audits, reviews, compliance audits, cost analysis, internal audits, consulting services, and all other related financial audits for our governmental clients.

A few examples of our previous experience with government agencies include compliance audits for the City of Los Angeles Department of Finance, financial audit and single audit for the Los Angeles Superior Court, attestation and single audit for fiscal monitoring review for the City of Pasadena, verification audit for the Cities of Pasadena and Burbank Water and Power, and tax compliance for the State of California Child Support Services, Minimum Wage Compliance Audits for the University of California (statewide) and financial audit of the Sky Rail (Sepulveda Basin) Because of our superior level of client service and work, the option to extend contracts is always renewed by our government entity clients such as city of Avenal.

S&A is also registered with the Public Company Accounting Oversight Board (PCAOB) to perform audits of companies registered with the Securities Exchange Commission (SEC). In addition, our firm assists international clients in financial statement audits of public and private entities and the implementation of international tax planning strategies in coordination with USA tax policy. S&A also performs regulatory compliance for government agencies such as the Federal Communications Commission (FCC) and California State Public Utilities Commission. Examples include regulatory compliance audits with Tricom USA, Tricom S.A, California American Water, Liberty Utilities Water Company, and Golden State Water Company, and Liberty Utilities Company We have also provided extensive auditing and cost analysis services to non-profits, such as the Geffen Foundation and private industries that include telecommunication companies, cable television providers, manufacturing operations, multi-national corporations, escrow companies, investment companies, trust departments and construction companies. S&A has also performed audits for the government entities financed by the World Bank in Egypt, Tanzania, Mexico, Colombia, Philippines, Jordan and Lebanon.

Client: Phelan Piñon Hills CSD
RFP for Professional Auditing Services



S&A currently has dedicated full-time professionals to perform governmental audits in our Westlake Village office. For this specific engagement, a total of one (1) Engagement Partner, one (1) Audit Manager, and one (1) Senior Auditor will be assigned to providing outstanding service to the District. These professionals will be assigned to this engagement on a full-time basis under the supervision of the managing partner. Key team members' education, experience, and key responsibilities are later explained in this proposal.

Licenses, Certifications, and Memberships: Sotomayor & Associates, LLP and its staff members are licensed in the State of California. S&A is an active member in the following organizations:

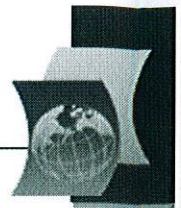
- ❖ Public Company Accounting Oversight Board (PCAOB)
- ❖ American Institute of Certified Public Accountants (AICPA)
- ❖ California Society of Certified Public Accountants (CalCPA)
- ❖ International Federation of Accountants (IFAC)
- ❖ Institute of Internal Auditors (IIA) and
- ❖ Association of Local Government Auditors (ALGA)

Additionally, S&A is certified as a small/disadvantage business by Los Angeles County – Consumer and business affairs, by the California Public Utilities Commission and the University of California to audit UC vendor's compliance with Minimum Wage Standards established by the State of California.

External Quality Control Review: S&A is subject to the quality control reviews in accordance with standards established by the Peer Review Board of the AICPA and California State Board of Accountancy. The attached Peer Review report was issued with no comments on November 8, 2023. We are also subject to PCAOB inspection; a copy of S&A most recent PCAOB inspection reports can be found on the PCAOB website at www.pcaobus.org.

Disciplinary Action and Desk Reviews: S&A has never had an incident of substandard work, or any outstanding claim of substandard audit work or unsatisfactory performance pending with the State Board of Accountancy, the U.S. Security and Exchange Commission, Federal Inspector General nor with the S&A. There have not been any reviews of our work by the federal or state. There have not been any enforcement actions or other matters that would reflect negatively on our professional qualifications, including any action for substandard audits.

Independence and Conflict of Interest: All parties are unaware of any financial or economic interest of any public officer or employee of the District relating to this agreement. S&A and the assigned personnel for this engagement are independent of Phelan Piñon Hills CSD, its component units, and any work performed for the District as defined by generally accepted auditing standards of the United States of America, U.S. Government Accountability Office's (GAO) Government Auditing Standards (2011), and the Government Finance Officers Association (GFOA) Standards for Audit of Governmental Organizations, Programs, Activities, and Functions.



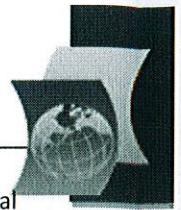
SECTION 2: SIMILAR ENGAGEMENT AND REFERENCE

Similar engagements with governmental organizations

The listing below also demonstrates our professional staff's experience in audit services similar to the needs of the City, as contained in your *Request for Proposal*.

Entities	Financial Audit	Single Audit	Agreed Upon Procedures
Los Angeles Superior Court	✓	✓	
City of Los Angeles Office of Finance	✓		✓
City of Los Angeles, Department of Transportation	✓	✓	✓
Los Angeles County Metropolitan Transportation Authority	✓	✓	✓
Sky Rail – Sepulveda Basin Project (under construction)	✓		
San Mateo County Transit District and Peninsula Corridor Joint Powers Board			✓
Livermore Amador Valley Transit Authority			✓
Omnitrans			✓
Topeka Metropolitan Transit Authority			✓
Metropolitan Tulsa Transit Authority			✓
Lakeland Area Mass Transit District			✓
Gary Public Transportation Corporation			✓
Metra			✓
San Gabriel Valley Council of Government	✓	✓	✓
Alameda Corridor Transportation Agency			✓
Community Redevelopment Agency of Los Angeles County	✓	✓	✓
Los Angeles Unified School District		✓	✓
Compton Unified School District			✓
State of California- Child Support Services			✓
City of Long Beach (On-Call Professional Management Consulting Services)			
City of Pasadena			✓
City of Burbank			✓
City of Avenal	✓	✓	✓
City of Ceres	✓	✓	✓
California American Water			✓
Golden State Water Company			✓
Liberty Utilities			✓

Client: Phelan Piñon Hills CSD
RFP for Professional Auditing Services



References: The references below demonstrate a few samples of our recent audit preparation services for Financial and Single Audits and similar to the needs of the District as contained in the *Request for Proposal* with government entities.

City of Avenal

Scope of Work: City financial audit report, city annual Street Report, District financial transaction report, single audit report, internal control report

Date: Fiscal Year 2015 through Date

Engagement Partner: Ivan Sotomayor, CPA

Contact Person, Phone and Email: Antony Lopez, City Manager
cmpadilla@lasuperiorcourt.org

Contact Person, Phone and Email: Antony López, 559-386-5766
alopez@cityofavenal.us

Contact Address: 919 Skyline BLVD, Avenal, CA 93204

City of Pasadena - Water and Power Finance

Scope of Work: Verification Audit of the California Energy Commission Annual Power Source

Date: January 1, 2010-December 31, 2014

Engagement Partner: Ivan Sotomayor

Contact Person, Phone, and Email: Herman Leung, Operations Management, (626) 744-7903
hleung@cityofpasadena.net

Contact Address: City of Pasadena Water and Power
150 Los Robles, Ste. 200, Pasadena, CA 91101

City of Pasadena Finance - Attestation and Single Audit Engagement

Scope of Work: Fiscal Monitoring Review of Ten Sub-recipients of Housing Grants

Date: FY June 30, 2010 and FY June 30, 2011

Engagement Partner: Ivan Sotomayor

Contact Person, Phone, and Email: Peony Cheng, CPA (626) 744-4400
peonycheng@cityofpasadena.net

Contact Address: 100 N. Garfield Ave., RM S-310, Pasadena, CA 91109

California American Water Co.

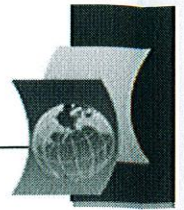
Scope of Work: Compliance Audit
Under CPUC rules (Regulatory Compliance Audit)

Date: January 1, 2012-Present

Engagement Partner: Ivan Sotomayor

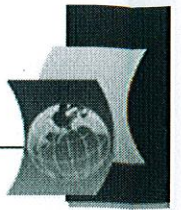
Contact Person, Phone, and Email: Jeffrey M. Dana (619) 4464775
Jeffrey.Dana@amwater.com

Contact Address: 655 W. Broadway, San Diego, CA 92201



LA Metro/Skyrail Sepulveda Basin Project

Scope of Work: Financial Audit and Tax compliance.
Date: October 2021-November 2026
Engagement Partner: Ivan Sotomayor, CPA
Contact Person, Phone and Email: Andrew Carlton (571) 229-2414
Andrew.carlton@SMXstrategies.com
Contact Address: C/O John Laing USA, 725 S. Figueroa # 4025, LA, CA 90017



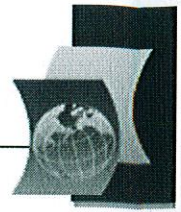
Project Management

The project management system we use includes planning, prioritizing, milestone, and status reports. Before the commencement of fieldwork, we develop specific work papers that are tailored to the District's needs, objectives, and compliance requirements. The work papers and the reports are reviewed by at least two partners/managers to ensure quality and budgetary control. Sotomayor and Associates, LLP makes sure that every client is entitled to expect the following:

- ❖ Meetings with our engagement team as reasonably needed by the District staff and/or management at their most convenient time.
- ❖ Necessary meetings or conference calls to discuss the issues and its conclusions. We make sure that we discuss every potential deficiency with appropriate staff and/or management.
- ❖ Regular progress reports about the status of each of the tasks being performed and identifying each pending task.

Other information for the District Consideration

Sotomayor & Associates has all required insurance coverages to perform the contract and if we are selected, we will retain certificates of insurance for each liability and name the District as the certificate holder.



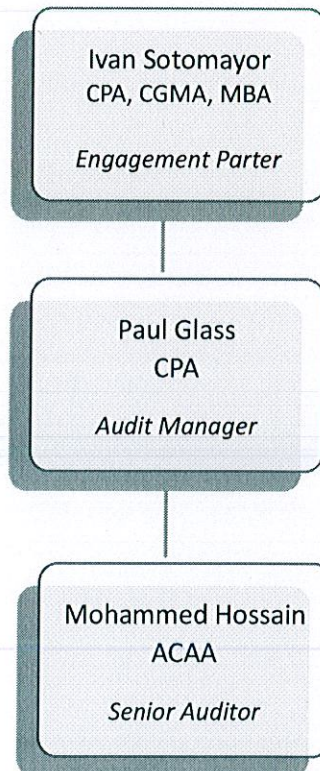
Section 3: Staffing

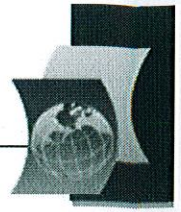
Assignment of Personnel

Sotomayor & Associates is continually proven to be an industry leader for consulting, accounting, auditing, and tax preparation. The engagement team selected to serve the District represents a strong, well-balanced blend of talent, professional skills, and industry experience that is critical to effectively perform the scope of services requested. Each member demonstrates a high degree of experience, training and proficiency in the cost allocation preparation functions performed in the service for the District. We are committed to providing our clients with staff continuity and do so by giving our professionals opportunities for growth and development within their career. We offer continued professional education in order to keep our staff up to date with the latest changes with regulatory policies, laws, and industry.

We are committed to conducting the assessment and to meet all of the District requirements. To make true on this commitment the following chart and table summarizes the division of responsibility among professionals assigned to the engagement. There will be no subcontractors assigned to this engagement.

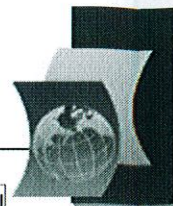
Organizational Chart





Sotomayor & Associates, LLP Key Team Members	
Professional	Responsibilities & Experience
<p>Ivan Sotomayor CPA, CGMA, MBA</p> <p>Engagement Partner</p>	<p>Mr. Ivan Sotomayor, CPA, is licensed to practice as a certified public accounting in the State of California. Mr. Sotomayor has been in accounting for over thirty years serving local governments and public institutions such as yours. He has an abundance of international experience in accounting, assurance services, and consulting for government and nonprofit organizations. He will be responsible for the overall engagement quality, overseeing each stage of the process and ensuring that the engagement is performed effectively and efficiently. He will review all work-papers and documentation throughout the project, in addition to all required reports.</p> <p>In 2006, he was appointed technical advisor on accounting and auditing to the US Trade Representative for the US Department of Commerce, as well as to the International Qualifications Appraisals Board, a joint committee of the National Association of State Boards of Accountancy. Currently he is serving as a committee member of the Professional Accounting Organization Development Committee of the International Federation of Accountants (IFAC). Mr Sotomayor also is appointed member of Audit Committee of Port of San Diego. He has been published in numerous journals and been a contributing speaker at numerous accounting conferences internationally. Mr. Sotomayor also lent his expertise to the AICPA, reviewing and recommending reciprocity requests for professional accounting organizations in the United States.</p> <p>Education & Membership: Mr. Sotomayor is a member of California Society of Certified Public Accountants, National Association of State Boards of Accountancy, and American Institute of Certified Public Accountant. He has been published in numerous journals and a speaker in many accounting conferences all over the world.</p> <p>Mr. Sotomayor received his Bachelor's degree in Economics at California State University in Los Angeles and his Master's degree in Business Administration at Golden Gate University in San Francisco.</p>
<p>Paul Glass CPA</p> <p>Audit Manager</p>	<p>Mr. Glass is licensed to practice as a CPA in California and has more than 40 years of accounting, auditing, and consulting experience for government, nonprofits, public and private business. He is experienced in serving private citizens, public institutions for industries including non-profit organizations, utility companies, telecommunications, manufacturing, and service companies. Mr. Glass has more than 30 years of experience in government and regulatory compliance audits, tax planning, and consulting local governments such as yours. He serves a much-diversified client base, including profit and nonprofit entities, such as USARC, a nonprofit adaptive recreation corporation, and Passport to Learning Inc, the professionals helping those with developmental disabilities, etc. Mr. Glass received the California Society of CPAs Distinguished Service Award from CSCPS Los Angeles Chapter and State of Israel Lion of Judah Award from Israel bond fundraising.</p> <p>Mr. Glass is a member of the California Society of Certified Public Accountants. He is licensed</p>

Client: Phelan Piñon Hills CSD
RFP for Professional Auditing Services

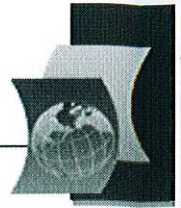


	<p>as a CPA, Real Estate Broker, and Life Insurance Agent. Mr. Glass attended UCLA and CSUN from 1967 to 1972.</p> <p>The Audit Partner would spend 20 to 25% of time in relation to the project.</p>
<p>Mohammed Hossain ACCA <i>Senior Auditor</i></p>	<p>Mr. Hossain, ACCA IS licensed to practice as a certified public accounting in the St UK. He is an audit manager with the firm and has over 10 years of experience in performing various auditing, accounting, financial and operational assignments for nonprofit and governmental agencies. Mr. Hossain has a proven record of excellent performance in the areas of compiling data; preparing workpapers and supporting schedules; performing tests of details; auditing cash reconciliations, cash receipts/disbursements, accounts payable, and accounts receivable. As an audit manager, he will be responsible for planning, supervising, and assessing audit risk planning to determine compliance with the CPUC rules for ATR.</p> <p>Mr. Hossain earned his bachelor's degree in science in Accountancy from the American International University - Bangladesh (AIUB), in May of 2007.</p>

Engagement Team Members and Responsibilities:

S&A is continually proven to be an industry leader for consulting, accounting and for governmental entities. The engagement team selected to serve the District represents a strong, well-balanced blend of talent, professional skills, and industry experience that is critical to effectively perform the scope of services requested. Each member demonstrates high degree of experience, training and proficiency in the consulting work performed in the service to the District. We are committed to providing our clients with staff continuity and do so by giving our professionals opportunities for growth and development within their career. We offer continued professional education in order to keep our staff up to date with the latest changes with regulatory policies, laws, and industry.

The listing below also demonstrates our professional staff's experience in audit services similar to the needs of the District, as contained in your Request for Proposal.



SECTION 3: CONTRACT EXECUTION PLAN

Overview Understanding of the Engagement: Sotomayor & Associates, LLP is pleased to submit this proposal to establish a contract with The District for each fiscal year within the engagement term.

The Reports to be conducted by S&A will include the following:

- a) State Controller's Reports (City, Street & Successor Agency)
- b) Housing and Community Development Report
- c) Statement of Indebtedness.
- d) Special District report (Public Finance Authority).
- e) Single Audit/Data Collection Form
- f) City's Financial Statements.
- g) Successor Agency's Financial Statements.

S&A will inform The District of each of the following:

- ❖ The auditor's responsibility under GAGAS.
- ❖ Significant accounting policies.
- ❖ Management judgments and accounting estimates.
- ❖ Significant audit adjustments.
- ❖ Other information in documents containing audited financial statements.
- ❖ Disagreements with management.
- ❖ Management consultation with other accountants;
- ❖ Major issues discussed with management prior to retention;
- ❖ Difficulties encountered in performing the audit; and
- ❖ Difficulties that are anticipated in implementing and complying with any mandated reporting requirements.

The audits will be conducted in accordance with Generally Accepted Auditing Standards in the United States; Government Auditing Standards issued by the Comptroller General of the United States; the provisions of the Single Audit Act, OMB Circular A-133; provisions of the American Recovery and Reinvestment Act; and all applicable laws, regulations, and standards. Upon completion of the audits, we will express an opinion on the fair presentation of the District's financial statements in conformity with generally accepted accounting principles and governmental accounting standards board statements.

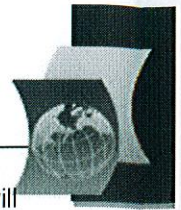
S&A will provide information resource for the following if requested by The District:

- ❖ CAFR preparation
- ❖ GASB pronouncements
- ❖ New developments, trends, and changing requirements pertinent to finance and accounting.
- ❖ Interpretations of rules and regulations
- ❖ Impact of tax and bonding obligations

We will also provide consultation and on-going auditing needs by answering any technical question you might have and by having our Managing Partner participate at an annual meeting with The District and

Client: Phelan Piñon Hills CSD

RFP for Professional Auditing Services



provide management letters of recommendations for the District if needed. During the meeting we will review interim financial statements and major related accounting issues to avoid significant year-end adjustments, and describe suggested improvements in internal control, accounting procedures, and other significant observations that are considered reportable or non-reportable conditions. Our appropriate professionals will attend City Meetings when is considered necessary. If requested, we will orally present the financial statements and management letter to the committees of the District after the completion of the audits. Further, we will provide assistance with understanding and implementing the new Government Accounting Standards Board pronouncements that impact the District's operations.

Audit Philosophy and Approach: In order to conduct this financial audit, we will be using the Generally Accepted Government Auditing Standards (GAGAS) and the AICPA standards. Our audit approach is as follows:

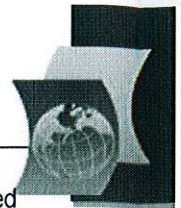
Our approach to the audit process can be divided into the following broad steps:

1. Perform procedures regarding acceptance/continuance of client relationships, evaluate compliance with ethical requirements (including independence), and establish an understanding with the governmental unit in an engagement letter or a contract generated under the governmental unit's requirements.
2. Develop a preliminary audit strategy, establish planning materiality, and perform risk assessment procedures to gather information about the governmental unit and its environment that may be relevant in identifying risks of material misstatement of the financial statements and, if applicable, material noncompliance.
3. Gather information to understand and evaluate the design and implementation of the entity's internal control system.
4. Random sampling will be drawn depending on the size of the data being tested. S&A uses a random selection program to select data for testing.
5. Synthesize the information gathered, identify the risks (both overall and specific) that could result in material misstatement of the financial statements and, if applicable, material noncompliance, and finalize the overall audit strategy.
6. Assess the risks of material misstatement of the financial statements and, if applicable, material noncompliance.
7. Develop and perform appropriate responses (further audit procedures) to the assessed risks of material misstatement of the financial statements and, if applicable, material noncompliance, considering the overall audit strategy and planning materiality.
8. Evaluate the findings and evidence.
9. Prepare the required reports and communications.

Single Audit: Sotomayor & Associates, LLP performs Single Audits, focusing on two objectives: first, an audit of your financial statements and reporting on the Schedule of Expenditures of Federal Awards (SEFA) in accordance with Government Auditing Standards; and second, a compliance testing for federal awards expended during the fiscal year. S&A understands that The District may request for assistance in the preparation of the schedule of expenditures of Grant Program awards, the summary schedule of prior audit findings, corrective action plan, and data collection form.

Our experience with compliance testing in accordance with OMB Circular A-133 can help provide The District with a Single Audit that is performed properly and submitted timely.

Client: Phelan Piñon Hills CSD
RFP for Professional Auditing Services



Our A-133 Audit Approach: Sotomayor & Associates, LLP provides A-133 audits of federally funded programs for governmental entities. During our audit procedures of federal award programs, we do not simply look for findings to report. We look for opportunities to advise you of more efficient ways to comply with federal regulations to reduce the risks of sanctions or reduced funding. S&A has developed contacts at federal and state agencies and has been able to work cooperatively with these agencies to resolve or avoid issues for our clients.

Entities subject to OMB Circular A-133 and Government Auditing Standards will benefit from S&A's specially designed audit programs, checklists, and database of federal audit programs.

Identification and testing of your federal programs will be performed primarily during interim fieldwork, which will typically be conducted before your fiscal year-end. We have found this to be the most efficient manner in which to conduct our audit services when the additional A-133 requirements are present.

To ensure our audit documentation meets applicable GAAS, Government Auditing Standards, and OMB Circular A-133 requirements, in the performance of our audits we utilize the checklists and audit programs shown in the table.

Financial Statement Audit Approach: S&A's audit approach focuses on areas of high risk—the unique characteristics of the District, the design effectiveness of your internal controls and your financial statement amounts and disclosures. The objective is to express an opinion on the conformity of your financial statements, in all material respects, with accounting principles generally accepted in the United States of America (U.S. GAAP) and determine, within a reasonable degree of certainty, whether error or fraud has caused the financial statements to be materially misstated.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America. The scope of the audit will include an evaluation of internal controls and recommendations for improvements of accounting and related procedures.

Below is our five-phase approach to your financial statement audit. We will work with you to develop an audit plan tailored to your specific circumstances and risks.

Our Five-Phase Approach to Financial Statement Audits

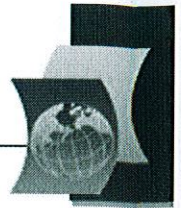


Phase 1: Planning

S&A will work closely with the District early during the audit, as required by auditing standards, giving the group an overview of the scope and timing. We ask that the District let us know about any risk issues they are aware of, any areas where they would like us to perform additional procedures or anything else material to the audit.

Materiality

S&A has a defined methodology for financial audits of clients that does not simply consider net income, but focuses on total assets and total revenue, to scope our audit approach, to evaluate actual or potential errors and to develop audit samples. In addition, we may seek the input of The District to further direct our testing procedures prior to finalizing our scope.



Phase 2: Risk Assessment

S&A will follow standards established by the Auditing Standards Board of the American Institute of Certified Public Accountants (AICPA). These auditing standards affect the amount and type of information S&A will gather to conduct your audit. We will:

- ❖ Obtain an understanding of your business and business environment, significant risks you face and how you mitigate those risks. This will include examining how you measure and manage financial performance, as well as your internal control over financial reporting.
- ❖ Examine and discuss where your financial statements might be susceptible to material misstatement or fraud.
- ❖ Determine if internal controls have been implemented and assess the general controls around your information technology area or department and issue a Management Letter reporting on the adequacy of your system of internal control, and include recommendations for improvement.

We will examine your internal controls documentation and ask you to complete various questionnaires for significant areas, such as capital assets. In addition, we will observe transactions or prepare or review narratives describing the steps taken during various phases of your operating cycles.

We expect to interview your personnel and review prior board meeting minutes and obtain documentation for our permanent file, such as organizational charts, policies and procedures, manuals, the District's budget and significant contracts and agreements as part of our information-gathering process and communicate any findings relative to improving your business processes for management reporting and budgeting, internal controls, accounting procedures and data processing.

Phase 3: Fieldwork, Testing & Further Audit Procedures

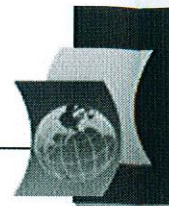
We will design our fieldwork procedures based on our consideration of your internal control system and will take advantage of the strengths in your system.

During fieldwork, we will:

- ❖ **Assess risks** of material misstatement for the most significant financial statement amounts and disclosures
- ❖ Ask management to further explore and clarify any potential misstatements, if any, we have identified
- ❖ **Evaluate** the materiality of those misstatements, if applicable
- ❖ Conclude that all identified risks of material misstatement have been addressed
- ❖ **Test compliance** with certain provisions of laws, regulations, contracts and grant agreements
- ❖ Hold a formal **exit conference** with your management to share findings and preliminary deliverables

S&A also will perform additional tests from these alternatives:

- ❖ *Test key items* – Some items within an account may be large enough by themselves to involve significant risk of material misstatement. These key items can be audited individually.
- ❖ *Sampling* – A detailed auditing of representative individual items (a sample) selected from a population.
- ❖ *Analytical procedures* – Taking a closer look at a grouping of information by examining it as it relates to other accounts, historical trends or other measures.



Phase 4: Report & Communications Delivery

Our commitment to a smooth engagement also includes the timely delivery of our completed report. After completing our fieldwork, we generally deliver a draft of our audit report and other communications within four weeks. To make sure you get the results you expect, our quality control professionals will review and, if needed, further challenge the work performed.

We know a great deal of audit information often comes from third parties. Sometimes information from those parties is not received on time. To keep your report timely, we will keep you informed and may ask your help getting third-party information.

Phase 5: Presentation to the Board of Directors

You may want to formally share your audit results with your Board of Directors and/or City Council. We can help make a presentation to your Board of Directors, answer their questions and help them better understand the financial statements.

In addition, if applicable, we will issue a SAS 115 report (management letter as stated above) to management and those charged with governance. SAS 115, *Communicating Internal Control Related Matters Identified in an Audit*, requires that we report any significant deficiencies or material weaknesses identified during the audit.

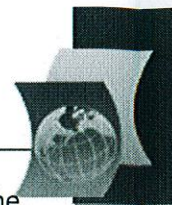
Project Timeline: We will do the final fieldwork after all of the books are closed. As part of the audit, we will assess compliance with federal laws and regulations in accordance with Single Audit requirements, OMB Circular A-133, as well as state laws and regulations. We will perform specific procedures to determine compliance and report our potential findings to City as required. We will draw samples from appropriate populations of transactions and request the items to be provided by your staff for our review and testing.

Overall, we plan to spend about one to two weeks on-site for field work, approximately two weeks for planning and four weeks for reporting. An exit interview will be conducted at the end of the final on-site audit. Auditing reports and Management Letter will be provided to The District no later than three weeks following the exit interview. We will coordinate the scheduling of the audit with you to both accommodate your schedule and allow for the timely completion of deliverables.

After we conclude the preliminary review of the audit, we will develop a detailed work plan and schedule site visits and necessary meetings. We will prepare and send a Documents Request List one week prior to the Entrance Conference Meeting for sufficient time to review and gather supplementary documents before the start of fieldwork. Additional documents may be requested throughout the audit engagement if we find it necessary for adequate testing.

Project Management and Anticipated Potential Audit Problems: The project management system we use includes planning, prioritizing, milestone, and status reports. Before the commencement of audit fieldwork, we develop specific workpapers that are tailored to The District's needs, objectives, and compliance requirements. The audit workpapers and the reports are reviewed by at least two partners/managers to ensure quality and budgetary control.

Sotomayor and Associates, LLP makes sure that every client is entitled to expect the following:



- ❖ Meetings with our engagement team as reasonably needed by the management at the management's most convenient time.
- ❖ Necessary meetings or conference calls to discuss the audit issues or management letter and its conclusions. We make sure that we discuss every potential deficiency with appropriate staff and/or Senior management before including it in the report and/or management letter.
- ❖ Weekly progress reports about the status of each of the tasks being performed and identifying each pending tasks.

Issues management is an integral part of project management, and related practices must be determined at the early stages of the project. Our issues management practices are carried out consistently throughout the project lifecycle, relying on status reporting for communication and decision making. Internal meetings will take place as needed, on a daily, weekly or monthly basis, to ensure that issues are properly tracked and managed.

Identified below are common audit problems that could delay the audit engagement and how S&A can mitigate the issues:

Books not closed and/or schedules/records not completed and available on time – this could cause significant deficiencies such as delays in completing the audit in a timely manner, inadequate audit plan, and unnecessary repetitive work by our audit team. We are aware that required documents will originate from The District for the closing of the financial statements and that these matters are beyond The District's control. The timeliness of receiving documents for note disclosures, pensions, investments, and securities could possibly delay the process of the audit engagement. We will avoid this by developing clear expectations for both parties as well as having often and early communication to make adjustments well ahead of deadlines in order to allow us enough time to be able to complete the audit in a timely and efficient manner.

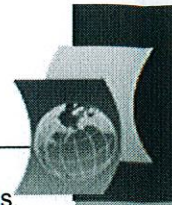
Differences in interpretation of standards – this can also cause deficiencies if not addressed properly and timely. We will ensure all the interpretation differences, including potential audit findings. These matters will be discussed with appropriate staff and management as soon as they are noted and before including them into the reports and/or management letter.

Failure to understand the District issues – in order to fully understand the issues that the District are facing, we will ensure that a proper communication process is in place. Examples include discussing with Senior management all relevant issues, responses, and possible solutions. In addition, the issues will be given a proper consideration in developing our final audit program and if necessary, we will provide you with recommendations.

Expectation gaps – in order to avoid any dissatisfaction and false impressions regarding the service levels, we will eliminate any potential expectation gaps through our communication process with the District. This includes explaining and clarifying the services to be performed, differences between the financial statements audit and other audits such that all parties are well aware of the expectations. Our team will be communicating regarding this issue with the Board during all phases of the audit to ensure they fully understand what is required and expected from us to perform in each of the audit phases.

Audit Technology: Sotomayor & Associates, LLP uses one of the most up-to-date auditing software that meets the needs of our clients in order to complete engagements in a timely manner. **PPC Checkpoint Tools** are a collection of value-added productivity solutions created in Microsoft Word and Excel templates that allow our firm to save time and financial resources when creating new client engagements.

Client: Phelan Piñon Hills CSD
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PPC is the leading national brand for specialized information, guidance and practice aids for accountants, auditors, and tax practitioners. We find that the program improves quality control by following a peer reviewed PPC engagement process, improves efficiency by eliminating repetitive tasks, and integrates with the current engagement process, increases accuracy, and decreases completion review time. PPC provides current reference resources to help ensure that we are complying with the latest accounting standards. This tool will be used as a resource, training tool, and guide for on-going support and technical assistance to our clients. PPC consists of three major guiding tools:

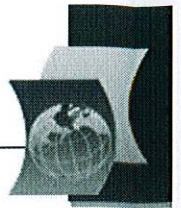
AdvanceFlow by Thomson Reuters is audit engagement management software hosted in the cloud. With *Advance Flow*, we can work from anywhere and collaborate on even the most complex audits. With just a click, we can access engagements, workpapers, and colleagues wherever we are, in real time. It offers a new level of convenience as well as a whole new set of possibilities - backed by the power of audit management and trial balance to manage the most complex clients and most data-intensive projects. Security layers ensure that only authorized users can access specific documents in *AdvanceFlow*. A feature of the system also protects emailed documents, so they can only be viewed by the intended recipients. *AdvanceFlow*' s advanced security options allow us to maintain full control over your documents while ensuring their integrity. Most of the top accounting firms in the United States are already using Thomson Reuters' *GoFileRoom*® cloud-based document management system. So, we integrated *AdvanceFlow* and *GoFileRoom*® seamlessly. Along with *Advance Flow*'s additional capabilities, *GoFileRoom*® users will enjoy familiar navigation, workflow, and security features.

Practice Aids: This includes traditional PPC audit programs, checklists, and corresponding guides. To document the completion of the work, auditors must sign off on the audit programs and checklists. The Practice Aids title corresponds to most audit guides, and each title is updated annually when the corresponding guidance title is updated.

Workpapers: Workpapers are used for documenting sections of engagement work. They are Excel spreadsheets that PPC creates and updates with numeric calculations, dynamic content, and automated schedules. PPC has Workpapers for various audit engagements, including audits of Small Business, Nonpublic Companies, Local Governments, Nonprofit Organization, and Employee Benefit Plans.

Interactive Disclosure Libraries: The libraries are resources that ensure we are following many professional standards. The disclosure checklist lists each pronouncement under current rules. PPC has three disclosure libraries: Interactive Disclosure Library for Nonpublic Businesses, Governments, and Nonprofit Organizations.

We also use **CCH Accounting Research Manager (ARM)** which is a comprehensive online database of expert-written analytical accounting, auditing, governmental, internal controls, and SEC information as well as primary source data. Updated daily, it provides current, complete, and objective resources for our financial reporting and compliance needs.



Section 5: Business Licenses

Licenses and Memberships

Sotomayor & Associates, LLP is licensed to conduct business with Phelan Piñon Hills CSD.

Sotomayor & Associates, LLP and its staff members are also licensed to practice in the State of California. S&A is an active member in the following organizations:

- ❖ Public Company Accounting Oversight Board (PCAOB)
- ❖ American Institute of Certified Public Accountants (AICPA)
- ❖ California Society of Certified Public Accountants (CalCPA)

Disadvantaged/Minority Business Enterprise and Other Certifications

S&A is certified of the following (*See Appendix*):

- ❖ Small/Micro Business by the County of Los Angeles Department of Consumer and Business Affairs
- ❖ Minority Business Enterprise by the California Public Utilities Commission (determined by the Supplier Clearinghouse)

Conclusion

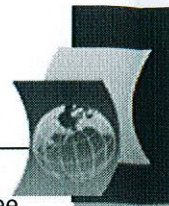
Sotomayor & Associates, LLP is the Right Choice

S&A prides itself on its quality of the consulting work, timeliness of services and suggestions to improve operational efficiency. For this reason, it is important to engage a consulting firm that understands that Phelan Piñon Hills CSD is an important client and also understands its unique needs, listens to concerns and is receptive to an open dialogue about issues.

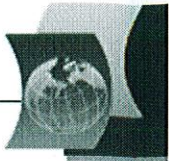
We believe Sotomayor & Associates, LLP is the right choice to provide the District with cost allocation plan services. In addition to quality services, we can provide a detailed transition plan, proactive planning and communication, quick response time without hidden fees, timely delivery of report, and unmatched client service. We take our commitment seriously and set the firm's expectations for serving clients with integrity first, true expertise, professional demeanor, responsive reliability, and principled innovation.

We at S&A are partners with our clients. It is our goal to give the District confidence that the services we are providing meet with our highest quality control standards and methodical approach. Our highly regarded reputation of passing Peer Review with no comments and PCAOB with unqualified opinions gives our clients added value when obtaining a consulting service from our firm. Let us give you that assurance and select Sotomayor & Associates, LLP to be the consultant for Phelan Piñon Hills CSD.

Client: Phelan Piñon Hills CSD
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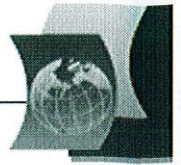


We believe that Mr. Sotomayor's, the managing partner, experience as member of the audit committee of the Port of San Diego and Mr. Paul Glass, will provide valuable knowledge in the Cost Allocation plan preparation service for the District.



Appendix A:

Peer Review Reports



Report on the Firm's System of Quality Control

To the Owner of
Sotomayor & Associates LLP
and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice Sotomayor & Associates LLP (the firm) in effect for the year ended May 31, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

Firm's Responsibility

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

Peer Reviewer's Responsibility

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

Required Selections and Considerations

Engagements selected for review included an engagement performed under Government Auditing Standards.

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

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Sotomayor & Associates LLP in effect for the year ended May 31, 2022, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies) or fail. Sotomayor & Associates LLP has received a peer review rating of pass.

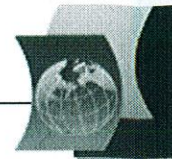
Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Pasadena, California
October 23, 2023

Weaver and Tidwell, L.L.P.
100 West Walnut Street, Suite 700 | Pasadena, California 91124
Main: 626.585.0666

CPAs AND ADVISORS | WEAVER.COM



(650) 522-3094
peerreview@calcpa.org

November 08, 2023

Ivan Sotomayor
Sotomayor & Associates LLP
699 Hampshire Rd Ste 101
Westlake Village, CA 91361-2352

Dear Ivan Sotomayor:

It is my pleasure to notify you that on November 07, 2023, the California Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is November 30, 2025. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation.

Sincerely,

Peer Review Committee

Peer Review Program
The Peer Review Program Team
peerreview@calcpa.org
650-522-3094

cc: Curtis Natham

Firm Number: 900010130297

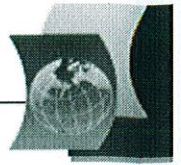
Review Number: 593499



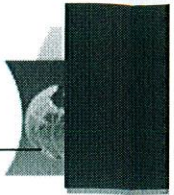
AICPA

Peer Review
Program

Administered by the California Society of CPAs for CA, AK and AZ



Appendix B:
Suppliers Clearinghouse Certificate
of Eligibility, DGS Certificate
& DBE Certificate



**SUPPLIER CLEARINGHOUSE
CERTIFICATE OF ELIGIBILITY**



CERTIFICATION EXPIRATION DATE: July 19, 2024

The Supplier Clearinghouse for the Utility Supplier Diversity Program of the California Public Utilities Commission hereby certifies that it has audited and verified the eligibility of:

***Sotomayor & Associates, LLP
Minority Business Enterprise (MBE)***

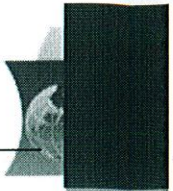
pursuant to Commission General Order 156, and the terms and conditions stipulated in the Verification Application Package. This Certificate shall be valid only with the Clearinghouse seal affixed hereto.

Eligibility must be maintained at all times, and renewed within 30 days of any changes in ownership or control. Failure to comply may result in a denial of eligibility. The Clearinghouse may reconsider certification if it is determined that such status was obtained by false, misleading or incorrect information. Decertification may occur if any verification criterion under which eligibility was awarded later becomes invalid due to Commission ruling. The Clearinghouse may request additional information or conduct on-site visits during the term of verification to verify eligibility.

This certification is valid only for the period that the above firm remains eligible as determined by the Clearinghouse. Utility companies may direct inquiries concerning this Certificate to the Clearinghouse at (800) 359-7998.

YON: 12080109

DETERMINATION DATE: July 19, 2021



Printed on: 3/9/2023 1:13:53 PM

To verify most current certification status go to: <https://www.caleprocure.ca.gov>



Office of Small Business & DVBE Services

Certification ID: 1011973
Legal Business Name:
SOTOMAYOR & ASSOCIATES, LLP
Doing Business As (DBA) Name 1:
SOTOMAYOR & ASSOCIATES, LLP
Doing Business As (DBA) Name 2:

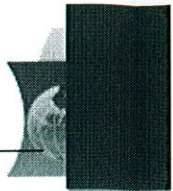
Address:
699 Hampshire Rd
STE 101
Westlake Village
CA 91361

Email Address:
ivans@sotomayorcpa.com
Business Web Page:
<http://www.sotomayorcpa.com>
Business Phone Number:
626/397-4900
Business Fax Number:
626/397-4908
Business Types:
Service

Certification Type	Status	From	To
SB(Micro)	Approved	03/09/2023	03/31/2025

Stay informed! KEEP YOUR CERTIFICATION PROFILE UPDATED!
LOG IN at [CaleProcure.CA.GOV](https://www.caleprocure.ca.gov)

Questions?
Email: OSDSHELP@DGS.CA.GOV
Call OSDS Main Number: 916-375-4940
707 3rd Street, 1-400, West Sacramento, CA 95605



receptionist sotomayor

From: lisa.jones@lacity.org on behalf of bca Certifications <bca.certifications@lacity.org>
Sent: Monday, September 18, 2023 1:53 PM
To: receptionist sotomayor
Subject: Re: DBE certificate
Attachments: image001.jpg

Good morning,

The City of LA does not issue certificates.

The best way to verify if a firm is certified is to check the public database of their certifying agency. Below are links to the most common directories: or a screenshot of your RAMP profile.

Your company DBE/MBE certification does not have an expiration date and is in **good standing**. SBE(Proprietary) is valid for two years.

<input type="checkbox"/>	Certification	Certification Type ↑	Certifying Agency	Status	
1	<input type="checkbox"/> CERT-145760	DBE: DISADVANTAGED BUSINESS ENTERPRISE	City of Los Angeles	Verified	✓
2	<input type="checkbox"/> CERT-126013	MBE: MINORITY OWNED BUSINESS ENTERPRISE	California Unified Certification Pro...	Verified	✓
3	<input type="checkbox"/> CERT-216591	SBE: SMALL BUSINESS ENTERPRISE (PROPRIETARY)	California Unified Certification Pro...	Verified	EX. 2025

City of Los Angeles ACDBE/DBE/MBE/WBE Directory: <https://bca.lacity.org/CertificationListings/DBETable.php>

City of Los Angeles SLB Directory: <https://bca.lacity.org/CertificationListings/SLBDirectory.php>

Disadvantaged Business Enterprise DBE Directory search: <https://caltrans.dbesystem.com/>

Department of General Services (DVBE/SBE/SB) Directory: <https://www.caleprocure.ca.gov/pages/PublicSearch/supplier-search.aspx>

The Suppliers Clearing House (MBE/WBE) Directory: <https://sch.thesupplierclearinghouse.com/frontend/searchcertifieddirectory.asp>

DVBE: <https://www.vip.vetbiz.va.gov/>

Please let me know if there is anything else that you need.

Thank you



Ivan Sotomayor, Managing Partner
P: (626) 397-4900 | F: (626) 397-4908
ivans@sotomayorcpa.com

Phelan Piñon Hills CSD

4176 Warbler Rd.
PO Box 294049
Phelan, Ca 92329

Cost Proposal

RFP: Professional Auditing Services
For fiscal years ending June 30, 2024, 2025 & 2026
with the option for two additional one-year periods



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Sotomayor & Associates LLP
Certified Public Accountants
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Westlake Village, CA 91361
(626) 397-4900
Fax: (626) 397-4908
sotomayor@sotomayorcpa.com
www.sotomayorcpa.com

LETTER OF TRANSMITTAL

December 29, 2023

Phelan Piñon Hills CSD
RFP: Professional Auditing Services
For fiscal year ending June 30, 2024, 2025 & 2026
with the option for two additional one-year periods

Sotomayor & Associates, LLP is pleased to have the opportunity to submit our bid for Professional Auditing Services for fiscal for a period of 36 months with two annual renewal options at the discretion of the Phelan Piñon Hills CSD (District). We have thoroughly read the RFP and will perform the services set forth.

The preparation of the District's Annual Cost Allocation Plan and Departmental Cost Allocation Plans must be performed in accordance with Code of Federal Regulations title 2, Part 225, (formerly known as OMB A-87), which establishes principles and standards for determining allowable costs of projects carried out with federal grants. Sotomayor & Associates, LLP and its staff members are licensed in the State of California. The assigned personnel for this engagement are independent of the District and its departmental units.

The District offers our firm a challenging opportunity to use our knowledge, experience, and the combined skills of our various specialty individuals to provide a unique and valuable service. For over two decades, Sotomayor & Associates, LLP, has been providing honest, accurate and objective accounting services to all of our clients. We have performed services for governmental agencies such as yours and our reports are always delivered on schedule and in a professional manner. As you read this proposal, we are confident you will conclude that our approach will provide a thoroughly effective and efficient service at the most competitive cost. Our firm is able to fulfill not only the needs of the District described in the RFP, but also provide a variety of consulting skills. Our insight into the complex cost allocation issues of government entities and regulatory requirements allows us to leverage experience and knowledge to your advantage. Our open door policy on communication means that we are available any day to respond to questions that concern your team.

The District would be a highly valued client that will make us extremely proud to serve. If you have any questions or request additional information in regard to this proposal, please do not hesitate to contact me. We will work closely with you and your staff to meet or exceed all deadlines established in your Request for Proposal.

Phelan Piñon Hills CSD
RFP for Professional Auditing Services



Mr. Ivan Sotomayor, Managing Partner, is empowered to act on behalf of Sotomayor & Associates, LLP, and authorized to oblige the firm contractually. He can be reached at: 699 Hampshire Road, Suite 101 Westlake

Village, CA 91361, (626) 397-4900, ivans@sotomayorcpa.com. Thank you for the opportunity to serve the District. We look forward to the next step in the process and having a long and mutually beneficial association with the Phelan Piñon Hills CSD.

Respectfully yours,
SOTOMAYOR & ASSOCIATES, LLP

A handwritten signature in black ink, appearing to read 'Ivan Sotomayor', written over a horizontal line.

Ivan Sotomayor
Certified Public Accountant
Managing Partn



FEE SCHEDULE

In performing the audit and compliance services, Sotomayor & Associates, LLP will employ reasonable and cost-effective procedures.

The following table details the pricing for delivery of the services outlined in this proposal:

PROFESSIONAL SERVICES RATES		
Direct Labor	Level of Service	Rate
Managing Partner	Engagement planning and supervising	\$180
Audit Manager	Review planning and reporting	\$170
Senior/Staff Auditors	Planning, supervising, and reporting	\$100
Billable Expenses		
Meals and Lodging	A flat fee for field work, 1 day for 3 staff members	\$1,500
Copies and other Adm. expenses	A flat fee of \$600	

Cost Breakdown

Audit Time Summary for Financial Statements:

	Total Extended Rate	Rate Per Hour	Total Hours
Managing Partner	\$3,600	180	20
Audit Manager	\$6,800	170	40
Senior/Staff Auditor	\$13,000	100	130
Total	\$23,400		190

Base Years:

Tasks	Year 1	Year 2	Year 3	3-Year Total
Financial Audit	\$23,400	\$23,400	\$23,400	\$70,200



Optional two (2) year extensions:

Tasks	Optional Year 1	Optional Year 2	2 Optional Years Total
Financial Audit	\$23,400	\$23,400	\$46,800

Discounts have been factored in the total cost shown in the table above. S&A provides clients with early payment discount rates if the invoice is paid earlier than the terms of the contract. Annual audit fees are subject to reasonable negotiation within the scope of services described in this proposal.

Estimated Additional Staff Requirements

Tasks	Deputy Finance Director	Accountants	Sr. Acct. Clerk A/P	Payroll Clerks	Acct. Clerks	total
Entrance Conference and high-level meetings	10	0	0	0	0	10hrs
Various tasks to obtain audit information	0	10	10	5	10	35hrs.
Estimated Total	10	10	10	5	10	45hrs

CONCLUSION

Sotomayor & Associates, LLP is the Right Choice

S&A prides itself on its quality of the consulting work, timeliness of services and suggestions to improve operational efficiency. For this reason, it is important to engage a consulting firm that understands that Phelan Piñon Hills CSD is an important client and also understands its unique needs, listens to concerns and is receptive to an open dialogue about issues.

We believe Sotomayor & Associates, LLP is the right choice to provide the District with cost allocation plan services. In addition to quality services, we can provide a detailed transition plan, proactive planning and communication, quick response time without hidden fees, timely delivery of reports, and unmatched client service. We take our commitment seriously and set the firm’s expectations for serving clients with integrity first, true expertise, professional demeanor, responsive reliability, and principled innovation.

We, at Sotomayor & Associates, LLP, are partners with our clients. It is our goal to give Phelan Piñon Hills CSD confidence that the services we are providing meet with our highest quality control standards and methodical

Phelan Piñon Hills CSD
RFP for Professional Auditing Services



approach. Our highly regarded reputation of passing Peer Review with no comments and PCAOB with unqualified opinions gives our clients added value when obtaining a consulting service from our firm. Let us give you that assurance and select Sotomayor & Associates, LLP to be the consultant for Phelan Piñon Hills CSD.

We believe that Mr. Sotomayor's, the managing partner, experience as member of the audit committee of the Port of San Diego and Mr. Edward Wilson's experience as a mayor of the City of Signal Hill will provide valuable knowledge in the Cost Allocation plan preparation service for the District.





Cash Disbursements Report By Payment Number

Payment Dates 12/1/2023 - 12/31/2023

Payment Number	Payment Date Payable Number	Vendor # Description	Vendor Name	Account Number	Project Account Key	Payment Amount Item Amount
578	12/7/2023	CHA HAY	Charles Hays			19.13
	113023	Nov. Mileage - SW Auto		01-0-1-52210		-4.78
	113023	Nov. Mileage - Board, GM & SW		01-0-1-52214		19.13
	113023	Nov. Mileage - Solid Waste		25-5-1-52210		4.78
579	12/7/2023	DEBPHI	Deborah Jeanne Philips			121.83
	113023	Nov. Mileage - for Solid Waste		01-0-1-52210		-6.55
	113023	Nov. Mileage - Board, SW, ACWA, GM		01-0-1-52219		121.83
	113023	Nov. Mileage - Solid Waste		25-5-1-52210		6.55
580	12/7/2023	MID AME ADMIN	Mid America Admin & Retirement Solutions			225.00
	0235181	HRA Admin Q3 2023		01-0-1-51230		225.00
581	12/7/2023	MIDAME TRUST	MidAmerica Administrative & Retirement Solutions, LLC			36,000.00
	010124	HRA 6 Months Disbursement		01-0-0-14130		36,000.00
582	12/20/2023	MARROB	Mark Roberts			132.31
	113023	Nov. Mileage - ACWA Conference		01-0-1-52215		132.31
583	12/20/2023	MUN DEN	Municipal Dental Pool			3,231.67
	010124	Dental Premium - Jan		01-0-0-14130		3,231.67
584	12/28/2023	DELAROSA	Antonio De La Rosa			67.23
	120723	Reimb. - ESRI Group Meeting Lunch &		01-7-7-54470		67.23
585	12/28/2023	SER MAD	Sergio A. Madrigal			30.00
	121923	Reimb. - Water Distribution (D1) Exa		01-1-1-54260		30.00
34391	12/6/2023	AIMWIL	Aimee Williams			50.00
	121423	2023 Safety Incentive Award		01-0-1-54260		50.00
34392	12/6/2023	ANGROM	Angelica Ahumada			50.00
	121423	2023 Safety Incentive Award		01-0-1-54260		50.00
34393	12/6/2023	DELAROSA	Antonio De La Rosa			50.00
	121423	2023 Safety Incentive Award		01-0-1-54260		50.00
34394	12/6/2023	APEREN	Apex Rentals			640.75
	95260	Man-lift Rental for St. Light Christmas		22-2-2-54300		640.75
34395	12/6/2023	ASBCSD	Assn of SB County Special Districts			35.00
	112023	Nov. Meeting - Deborah		01-0-1-52239		35.00
34396	12/6/2023	AVCOM	AVCOM Services Inc.			80.00
	30757	Answering Svc. - Nov.		01-0-1-53150		80.00
34397	12/6/2023	BOOBAR	Boot Barn Inc.			200.00
	INV00321044	Sfty. Work Boots - E. Barnes		01-1-2-54680		200.00
34398	12/6/2023	BRUMCE	Brunick, McElhaney & Kennedy			7,200.00
	195	Legal Svcs. - Oct.		01-0-1-53120		3,787.50
	195	Legal Svcs. - Oct.		01-1-1-53120		575.00
	195	Legal Svcs. - Oct.		01-7-7-53120		50.00
	195	Legal Svcs. - Oct.		20-0-1-53120		2,737.50
	195	Legal Svcs. - Oct.		25-0-1-53120		50.00
34399	12/6/2023	CDTFA	CA Dept. of Tax & Fee Administration			902.37
	L0023555586	094-019676 Water Rights Fee		01-1-3-53160		300.86
	L0023635907	094-019553 Water Rights Fee		01-1-3-53160		300.86

Cash Disbursements Report

Payment Dates: 12/1/2023 - 12/31/2023

Payment Number	Payment Date Payable Number	Vendor # Description	Vendor Name	Account Number	Project Account Key	Payment Amount Item Amount
	L0023702955	094-019548	Water Rights Fee	01-1-3-53160		300.65
34400	12/6/2023 120123	CHR CHE	Chris Chen Family LP	01-1-0-23330		7,499.80 7,499.80
34401	12/6/2023 121423	CHRGUA	Christopher B Gualco	01-0-1-54260		50.00 50.00
34402	12/6/2023 121423	CHRIS CUMM	Christopher Cummings	01-0-1-54260		50.00 50.00
34403	12/6/2023 9085-1042415	CED	Consolidated Electrical Distributors Inc	01-0-0-17000	C0095 OUTSIDE SVCS	80.48 80.48
34404	12/6/2023 23-260494	SBC LIENS	County of San Bernardino	01-1-1-54830		340.00 340.00
34405	12/6/2023 121423	DAVNOL	David Noland	01-0-1-54260		50.00 50.00
34406	12/6/2023 121423	DENMOR	Dennis Morrison	01-0-1-54260		50.00 50.00
34407	12/6/2023 121423	DONBAR	Don Bartz	01-0-1-54260		50.00 50.00
34408	12/6/2023 113023	DONBAR	Don Bartz	01-0-1-54140		388.50 388.50
34409	12/6/2023 NPO0007194	NEWPLU	Donald G. Fish Jr	01-0-1-54110		50.00 50.00
34410	12/6/2023 121423	ERIBAR	Eric Barnes	01-0-1-54260		50.00 50.00
34411	12/6/2023 121423	ERNARA	Ernesto Araiza	01-0-1-54260		50.00 50.00
34412	12/6/2023 121423	DELACRUZ	Evelin De La Cruz	01-0-1-54260		50.00 50.00
34413	12/6/2023 CAVIC90439	FASTEN	Fastenal Company	01-1-2-54500		365.81 365.81
34414	12/6/2023 121423	FRARAM	Frank J Ramirez	01-0-1-54260		50.00 50.00
34415	12/6/2023 10762344	GARDA	Garda CL West, Inc	01-0-1-54200		627.84 627.84
34416	12/6/2023 121423	GEOCAR	George Cardenas	01-0-1-54260		50.00 50.00
34417	12/6/2023 IN7102484141	GOTO	GoTo Communications, Inc.	01-0-1-58010		724.00 724.00
34418	12/6/2023 2006569 2006569 2007330 2007330	HATTRI	Hatrix Team Sports & Embroidery	01-0-1-54680 01-1-2-54680 01-0-1-54680 01-1-2-54680		809.38 297.43 92.73 216.95 202.27
34419	12/6/2023 121423	HEA CHI	Heather Childers	01-0-1-54260		50.00 50.00

Cash Disbursements Report

Payment Dates: 12/1/2023 - 12/31/2023

Payment Number	Payment Date Payable Number	Vendor # Description	Vendor Name	Account Number	Project Account Key	Payment Amount Item Amount
34420	12/6/2023	INFOSE	Infosend Inc			11,932.51
	250118	Postage - Oct.		01-1-6-54860		2,957.87
	250118	Printing - Oct.		01-1-6-54890		3,296.54
	250118	Postage & Printing - Oct.		01-1-9-54800		1,014.75
	250118	Postage & Printing - Oct.		22-2-2-54800		4,666.84
	250946	Parks Program Insert Fee Correction		22-2-2-54800		-3.49
34421	12/6/2023	JENOAK	Jennifer Oakes			50.00
	121423	2023 Safety Incentive Award		01-0-1-54260		50.00
34422	12/6/2023	JOHPLU	John Stepanian			1,895.00
	18071	Water Heater Replaced at Office		01-0-1-54620		1,895.00
34423	12/6/2023	KARBUR	Karyn M. Burgen			50.00
	121423	2023 Safety Incentive Award		01-0-1-54260		50.00
34424	12/6/2023	KEV LEE	Kevin M. Lee			50.00
	121423	2023 Safety Incentive Award		01-0-1-54260		50.00
34425	12/6/2023	KIMSEV	Kimberly Sevy			50.00
	121423	2023 Safety Incentive Award		01-0-1-54260		50.00
34426	12/6/2023	LANMAR	Lance Marckstadt			50.00
	121423	2023 Safety Incentive Award		01-0-1-54260		50.00
34427	12/6/2023	LINSMI	Linda Smith			50.00
	121423	2023 Safety Incentive Award		01-0-1-54260		50.00
34428	12/6/2023	LORLOW	Lori Lowrance			50.00
	121423	2023 Safety Incentive Award		01-0-1-54260		50.00
34429	12/6/2023	LUC SMO	Lucille's Smokehouse Bar-B- Que			1,217.86
	121423	December Safety Meeting		01-0-1-54260		1,217.86
34430	12/6/2023	SHINE	Mary Gabriel			938.00
	25	12/2 Painting Classes		22-2-2-54800		938.00
34431	12/6/2023	MICLEW	Michael Lewis			50.00
	121423	2023 Safety Incentive Award		01-0-1-54260		50.00
34432	12/6/2023	ANDTRU	Mills Hardware			622.51
	113023	Inv #314011 - Well #15 Caps		01-0-0-17000	C0095 OUTSIDE SVCS	39.89
	113023	Inv #314050 - Cleaning Supplies for Fi		01-1-2-54500		37.03
	113023	Inv #314089 - Extension Cord		01-1-2-54500		36.61
	113023	Inv #314056 - Wrench for Ops		01-1-2-54650		14.00
	113023	Inv #314014 - Brass for Samle Ports		01-1-4-54500		137.04
	113023	Inv #314007 - Caulking & Sealant		01-1-5-54620		49.52
	113023	Inv #313979 - Drywall Frame, Tape fo		01-1-5-54620		130.46
	113023	Inv #314053 - Parts to Repair Trailer #		01-1-8-54710		52.33
	113023	Inv #314061 - Drain Drum & Galv. Pip		22-2-2-54620		40.92
	113023	Inv #314117 - Bolts, Nuts, Washers &		22-2-2-54620		14.37
	113023	Inv #3138980 - Drain Opener		22-2-2-54620		21.53
	113023	Inv #314075 - Electrical Tape		22-2-2-54620		12.25
	113023	Inv #314013 - Bolts & Nuts		22-2-2-54620		4.27
	113023	Inv #314012 - Wood Bundle		22-2-2-54620		27.67
	113023	Inv #314042 - Plub ABS		22-2-2-54620		4.62
34433	12/6/2023	MDAQMD	Mojave Desert Air Quality Management District			134.83
	MD19874	Emergency Generator Permit for New		01-0-1-53160		134.83
34434	12/6/2023	MOUPRO	Mountaineer Progress Newspaper			1,050.00
	2023-12505	(1) Public Notice		01-0-1-54110		150.00
	2023-12515	(3) Public Notices		01-0-1-54110		450.00

Cash Disbursements Report

Payment Dates: 12/1/2023 - 12/31/2023

Payment Number	Payment Date Payable Number	Vendor # Description	Vendor Name	Account Number	Project Account Key	Payment Amount Item Amount
	2023-12516	(3) Public Notices		01-0-1-54110		450.00
34435	12/6/2023 121423	PAUMIH 2023 Safety Incentive Award	Paul Mihalik	01-0-1-54260		50.00 50.00
34436	12/6/2023 674	PHECHA Membership Renewal	Phelan Chamber of Commerce	01-0-1-54230		75.00 75.00
34437	12/6/2023 50346	PHEEXP Trk #28 - Oil Change	Phelan Express, Inc.	01-1-8-54710		125.08 125.08
34438	12/6/2023 112723	SEAWRI Reimb. - Water Distribution (D5) Cert.	Sean Wright	01-1-1-54260		105.00 105.00
34439	12/6/2023 121423	SEAWRI 2023 Safety Incentive Award	Sean Wright	01-0-1-54260		50.00 50.00
34440	12/6/2023 121423	SER MAD 2023 Safety Incentive Award	Sergio A. Madrigal	01-0-1-54260		50.00 50.00
34441	12/6/2023 120123 120123 120123	STAINS LTD/Life/AD&D - Dec. LTD/Life/AD&D - Dec. LTD/Life/AD&D - Dec.	Standard Insurance Company	01-0-1-51230 01-7-7-51230 22-0-1-51230		1,214.32 1,019.88 116.05 78.39
34442	12/6/2023 121423	STELOW 2023 Safety Incentive Award	Steve Lowrance	01-0-1-54260		50.00 50.00
34443	12/6/2023 121423	STETRU 2023 Safety Incentive Award	Steve Trujillo	01-0-1-54260		50.00 50.00
34444	12/6/2023 0081470-IN 0081470-IN	TESCON Scada repairs to well 5, well 2 Scada Repairs to Wells #2, #5	Tesco Controls, Inc	01-1-2-54620 01-1-2-54620		2,502.88 1,094.80 1,408.08
34445	12/6/2023 3689 3689 3690	TOP OPT Pest Control CSD (2) Bee Removal - 8180 Buttonwood Pest Control - Oasis	Top Option Pest Control	01-0-1-53150 01-1-6-53150 01-1-1-53150		323.00 75.00 150.00 98.00
34446	12/6/2023 227691 227691 227691	TURSEC Monitoring Svc. - Dec. Monitoring Svc. - Dec. Monitoring Svc. - Dec.	Turner Security, Inc	01-0-1-53150 01-1-1-53150 22-2-2-53150		373.60 46.95 167.80 158.85
34447	12/6/2023 025-446227	TYLTEC UB Online Support - Dec.	Tyler Technologies, Inc	01-1-6-53170		265.00 265.00
34448	12/6/2023 1120230537	USA (137) Tickets	Underground Service Alert of So. Cal.	01-1-2-53150		249.75 249.75
34449	12/6/2023 INV00195501 INV00196690	USABB Dispenser for Sample Areas Liquid filled gauges for wells and boo	HD Supply, Inc.	01-1-4-54500 01-1-2-54500		910.11 315.89 594.22
34450	12/6/2023 24AR1298546	VIS EDGE Base Rate & Copies	Visual Edge IT, Inc.	01-0-1-53150		811.36 811.36
34454	12/7/2023 120723	PHECHA Angel Tree Sponsorship	Phelan Chamber of Commerce	22-0-1-54920		1,000.00 1,000.00
34455	12/20/2023 121423	AYSO 14U Girls Tournament Team Sponsors	AYSO-Region 538	22-0-1-54920		800.00 800.00

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Payment Number	Payment Date Payable Number	Vendor # Description	Vendor Name	Account Number	Project Account Key	Payment Amount Item Amount
34456	12/20/2023 073123	CHRGUA Reimb. (D3) Certificate	Christopher B Gualco	01-1-1-54260		100.00 100.00
34457	12/20/2023 9085-1043004 9085-1043254 9085-1043260	CED CI2 Electrical Parts for Well #15 Utility Box, Terminal Adapter, Couplin (10) Electrical Fuses for Main Panels	Consolidated Electrical Distributors Inc	01-0-0-17000 01-0-0-17000 01-1-2-54620	C0095 OUTSIDE SVCS C0095 OUTSIDE SVCS	751.75 214.38 121.94 415.43
34458	12/20/2023 S1063270-001 CR T908947 CR T983040	CORE Credit on IWW invoices Credit - Overpaid Meter Bolts for 1.5" Meters	Core & Main	01-1-5-54620 01-1-5-54620 01-0-0-17000	C0084 OUTSIDE SVCS	380.38 -43.71 -1.00 425.09
34459	12/20/2023 109210	SBC PARCELS (7) Parcel Map Revisions	County of San Bernardino	01-1-1-54830		14.00 14.00
34460	12/20/2023 IN0422761	SBC ENVHLT Health Permit - Phelan C.C Unit A	County of San Bernardino	22-2-2-53160		671.00 671.00
34461	12/20/2023 000797401-4538 000797632-1564 000797862-8478 000797862-8478	CR&R Trash - Oasis Yard - Dec. Trash - Pinon Hills Park - Dec. Trash - Phelan CSD - Dec. Trash - Phelan CC - Dec.	CR&R Incorporated	01-0-2-58110 22-0-2-58110 01-0-1-58110 22-0-2-58110		1,406.50 388.58 241.01 388.45 388.46
34462	12/20/2023 12080R 12087R	ACT IT UPS 3000 VA Tower - Oasis Yard Office WiFi Switch Upgrade	David Shay	01-1-2-54620 01-1-1-54530		6,617.74 4,458.00 2,159.74
34463	12/20/2023 VVP-0405-1 VVP-0405-1 VVP-0405-1 VVP-0405-2 VVP-0405-2 VVP-0405-2	VALLE Streamed Meetings - Oct. Streamed Meetings - Oct. Streamed Meetings - Oct. Streamed Meetings - Nov. Streamed Meetings - Nov. Streamed Meetings - Nov.	Don Gene Fish Jr.	01-0-1-53150 01-7-7-53150 25-5-1-53150 01-0-1-53150 22-2-2-53150 25-5-1-53150		2,230.00 700.00 240.00 240.00 350.00 350.00 350.00
34464	12/20/2023 6606	EWIDEV Electrical Repairs - Fire Station Bldg.	Ewing Development	22-2-2-54620		4,890.00 4,890.00
34465	12/20/2023 CAVIC90536	FASTEN Blue Marking Paint	Fastenal Company	01-1-2-54500		533.75 533.75
34466	12/20/2023 30862 30863	GENPUM Site 2 Booster C Pulled Pum & Motor Site 1B Booster B Motor Pulled Due t	General Pump Company, Inc.	01-1-5-54620 01-1-5-54620		5,862.00 2,936.00 2,926.00
34467	12/20/2023 70	GREE SVCS Landscape Maint. Phelan & P.H Parks	Greenstone Services Inc.	22-2-2-53150		720.00 720.00
34468	12/20/2023 71188	HESHOS Pump to Waste Discharge Hose	Hesperia Hose Supply Inc	01-0-0-17000	C0072 OUTSIDE SVCS	221.87 221.87
34469	12/20/2023 19520	IB CON Consulting Svcs. - Budget, Water Sup	IB Consulting, LLC	01-0-1-53150		3,481.00 3,481.00
34470	12/20/2023 251929 251929 251929 251929 251929	INFOSE Postage & Printing - Nov. Postage & Printing - Nov. Postage & Printing - Nov. Postage & Printing - Nov. Postage & Printing - Nov.	Infosend Inc	01-1-6-54860 01-1-6-54890 01-1-9-54800 22-2-2-54800 25-5-1-54800		8,103.65 2,951.83 2,132.05 807.94 403.97 1,807.86

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Payment Number	Payment Date Payable Number	Vendor # Description	Vendor Name	Account Number	Project Account Key	Payment Amount Item Amount
34471	12/20/2023 23-1114 23-1114-1	LILBURN Civic Center-Park Environmental tech. Amendment CEQA - Revision to Civic	Lilburn Corp.	22-2-0-17000 01-0-0-17000	C0078 OUTSIDE SVCS C0002 OUTSIDE SVCS	2,300.00 1,543.00 757.00
34472	12/20/2023 2023122 2023122 2023122	LIN SVC Janitorial Svcs. - CSD Dec. Janitorial Svcs. -Oasis Dec. Janitorial Svcs. - CC Windows Dec.	Richard J. Linsalato	01-0-1-54320 01-1-1-54320 22-0-1-54320		595.00 340.00 225.00 30.00
34473	12/20/2023 121823	MDAQMD Violation #MD00001781 - Generator	Mojave Desert Air Quality Management District	01-1-2-53160		100.00 100.00
34474	12/20/2023 120823-2	MDAQMD Violation #MD00001768 - Air Vapor C	Mojave Desert Air Quality Management District	01-1-2-53160		250.00 250.00
34475	12/20/2023 2023-12724	MOUPRO Christmas Ad	Mountaineer Progress Newspaper	01-0-1-54110		150.00 150.00
34476	12/20/2023 122023 122023 122023 122023 122023	PETCAS - Petty Cas Postage Purchase - Lori Cash Drawers Over - Oct - Dec Cash Drawers Shrtage - Oct - Dec Staters - Water for CCs Shell - Ice for Phun Day	Petty Cash	01-0-1-54860 01-1-1-59310 01-1-1-59310 22-2-2-54500 22-2-2-54800		83.11 -3.57 -20.42 20.65 51.47 34.98
34477	12/20/2023 7078400-IN	REBEL Fuel - 300Gl.	Rebel Oil Company, Inc.	01-1-8-54410		1,258.31 1,258.31
34478	12/20/2023 2316	ROSE Kids Baking Class - Dec.	Rose Noir Chocolates LLC	22-2-2-54800		221.03 221.03
34479	12/20/2023 121423	SER HIG Serrano Girls Soccer Program	Serrano High School - Girls Soccer	22-0-1-54920		800.00 800.00
34480	12/20/2023 0468280-IN	STEENT HP Plotter Ink	Steven Enterprises Inc	01-7-7-54530		457.46 457.46
34481	12/20/2023 INV0098431	AQUA MET MXU 520 M Single Port Antenna	Aqua Metric Sales Co	01-1-0-13010		66,625.90 66,625.90
34482	12/20/2023 PPH-127-4	TOMDOD Proposed 1.5 MG Reservoir - CEQA	Tom Dodson & Associates	01-0-0-17000	C0109 OUTSIDE SVCS	2,415.00 2,415.00
34483	12/20/2023 228120	TURSEC Camera System Replaced - Pinon Hills	Turner Security, Inc	22-2-2-54620		4,485.00 4,485.00
34484	12/20/2023 51680928	UNIVAR Chlorine - 550Gl	UNIVAR INC.	01-1-3-54500		2,234.35 2,234.35
34485	12/20/2023 INV00165843 INV00207621	USABB Replacement Chlorination Pumps & R Hach chlorimeter DR300 for water qu	HD Supply, Inc.	01-1-3-54620 01-1-4-54500		2,919.36 2,189.32 730.04
34486	12/20/2023 82173262 82173262	WAXIE Paper Towels & Bath Tissue for Office Bath Tissue for Parks	Waxie Enterprises, Inc	01-0-1-54500 22-2-2-54500		355.08 188.76 166.32
34487	12/28/2023 1623 1624	ADD HEA Oasis Yard Trailer 2 & 3 Heater Repair Oasis Yard Trailer 2 & 3 Heater Repair	Addison Heating & Air Conditioning	01-1-2-53150 01-1-2-53150		1,235.00 994.00 241.00
34488	12/28/2023 196 196 196	BRUMCE Legal Svcs. - Nov. Legal Svcs. - Nov. Legal Svcs. - Nov.	Brunick, McElhane & Kennedy	01-0-1-53120 01-1-1-53120 20-0-1-53120		7,380.00 3,225.00 225.00 3,750.00

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	196	Legal Svcs. - Nov.		22-0-1-53120		30.00
	196	Legal Svcs. - Nov.		25-0-1-53120		150.00
34489	12/28/2023	CALTRANS	California Department of Transportation			6,615.38
	15003515037	LoanPmt #37 (Final Pmt)		01-1-0-29740		6,555.39
	15003515037	Interest Pmt #37 (Final Pmt)		01-1-1-91010		59.99
34490	12/28/2023	CALTOO	C.T.W.S., LLC			104.20
	840045	Welding Rod & Material		01-1-2-54500		104.20
34491	12/28/2023	CED	Consolidated Electrical Distributors Inc			2,214.59
	9085-1038201	Electrical Switch for Site 1C Main		01-1-2-54620		983.10
	9085-1043267	600V Fuses for Main Electrical Panels		01-1-2-54620		1,102.73
	9085-1043462	Electrical Parts for Well #15 CI2		01-0-0-17000	C0095 OUTSIDE SVCS	128.76
34492	12/28/2023	CORE	Core & Main			4,850.74
	T780158	16" MainlineRepair Mechanical Joints		01-1-5-54620		561.20
	T856003	2" Air Vac for Well #15		01-0-0-17000	C0095 OUTSIDE SVCS	888.94
	U066030	Special 300' Roll of Municipex for Svc		01-1-5-54620		1,700.30
	U106644	Special 300' Roll of Municipex for Svc		01-1-5-54620		1,700.30
34493	12/28/2023	SBC LIENS	County of San Bernardino			460.00
	23-285317	(23) Lien Release Docs.		01-1-1-54830		460.00
34494	12/28/2023	DONBAR	Don Bartz			435.00
	122923	Mileage Reimb. - Dec.		01-0-1-54140		435.00
34495	12/28/2023	GEOMON	GEO-Monitor, Inc.			546.00
	27628	Routine Samples		01-1-4-53140		546.00
34496	12/28/2023	LES SCH	Les Schwab Tire Centers of Central CA, INC.			1,727.40
	58100171276	Trk #29 - (4) Tires		01-1-8-54710		1,727.40
34497	12/28/2023	OFFDEP	ODP Business Solutions, Inc.			239.82
	346504210001	Business Envelopes		01-0-1-54530		239.82
34498	12/28/2023	PAP REC	Paper Recycling & Shredding Specialist			78.00
	562731	On-Site Shredding		01-0-1-53150		78.00
34499	12/28/2023	PHEEXP	Phelan Express, Inc.			125.08
	50854	Trk #31 - Oil Change		01-1-8-54710		125.08
34500	12/28/2023	RAIMAN	Railroad Management Co., LLC			681.52
	497492	12" Water Pipeline License 4/11/24 -		01-1-2-53160		681.52
34501	12/28/2023	REBEL	Rebel Oil Company, Inc.			5,560.02
	7076703	Fuel-475 Gl.		01-1-8-54410		2,108.16
	7077056	Fuel-350 Gl.		01-1-8-54410		1,562.39
	7079086	Fuel-335 Gl., DSL-105 Gl.		01-1-8-54410		1,889.47
34502	12/28/2023	SDRMA	Special District Risk Management Authority			1,000.00
	C00326	Ref. C00326 - Trk #15 Loss Deductible		01-1-1-89110		1,000.00
34503	12/28/2023	STAINS	Standard Insurance Company			1,208.63
	010124	LTD/Life/AD&D - Jan.		01-0-1-51230		1,015.80
	010124	LTD/Life/AD&D - Jan.		01-7-7-51230		114.44
	010124	LTD/Life/AD&D - Jan.		22-0-1-51230		78.39
34504	12/28/2023	TESCON	Tesco Controls, Inc			32,000.00
	081648-IN	Well #15 Scada Panel & Integration		01-0-0-17000	C0095 OUTSIDE SVCS	32,000.00
34505	12/28/2023	TRLS	TRLS Engineering, Inc			17,070.00
	4635	Buttemere / Nielson Rd - Grading		01-1-1-53150		5,530.00
	4636	Solar Site - Certificate of Compliance		01-1-1-53150		4,050.00
	4637	Circle Green - West portion Parcel - C		20-0-1-53150		4,050.00

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	4638	Meadowbrook Dairy Water Easement		01-1-1-53150		3,440.00
34506	12/28/2023	TRU GOV	Truist Governmental Finance			232,459.69
	011324	Civic Center Lease Pmt #2-Loan 9905		01-1-0-29760		94,220.31
	011324	Civic Center Lease Int Pmt #2-Loan 99		01-1-1-91010		138,239.38
34507	12/28/2023	TYLTEC	Tyler Technologies, Inc			265.00
	025-448720	UB Online Support - Jan.		01-1-6-53170		265.00
34508	12/28/2023	VIS EDGE	Visual Edge IT, Inc.			404.01
	24AR1379193	Base Rate & Copies		01-0-1-53150		404.01
34509	12/28/2023	WALL GROUP	Wallace Group, a California Corporation			2,385.00
	61180	Civic Center Bid Support - Specs Revie		01-0-0-17000	C0002 OUTSIDE SVCS	2,385.00
DFT0012529	12/1/2023	EDD	Employment Development Department			406.81
	INV0005497	State Disability Ins - Payroll Taxes		01-0-0-24510		406.81
DFT0012530	12/1/2023	EDD	Employment Development Department			2,814.38
	INV0005498	CA State Income Tax - Payroll Taxes		01-0-0-24510		2,814.38
DFT0012531	12/1/2023	IRS	Internal Revenue Service			2,012.69
	INV0005499	Medicare - Payroll Taxes		01-0-0-24510		2,012.69
DFT0012532	12/1/2023	IRS	Internal Revenue Service			8,722.62
	INV0005500	Federal Income Tax - Payroll Taxes		01-0-0-24510		8,722.62
DFT0012534	12/7/2023	THEGAS	The Gas Company			67.29
	112023-4084	Gas - Phelan Sr. Ctr. 10/19 - 11/20		22-0-2-58110		67.29
DFT0012535	12/7/2023	THEGAS	The Gas Company			93.93
	112023-4585	Gas - Phelan CC 10/19 - 11/20		22-0-2-58110		93.93
DFT0012539	12/7/2023	RACE	Race Communications			255.00
	RC1051219	Phone Internet - Shop Dec.		01-1-1-58010		255.00
DFT0012540	12/7/2023	RACE	Race Communications			255.00
	RC1058243	Phone Internet - CSD Dec.		01-0-1-58010		255.00
DFT0012541	12/7/2023	RACE	Race Communications			104.00
	RC1058242	Phone Internet - Pinon Hills CC Credit		22-0-1-58010		-100.00
	RC1058242	Phone Internet - Pinon Hills CC Dec.		22-0-1-58010		204.00
DFT0012542	12/7/2023	RACE	Race Communications			4.00
	RC1058244	Phone Internet - Phelan CC Dec.		22-0-1-58010		204.00
	RC1058244	Phone Internet - Phelan CC Credit De		22-0-1-58010		-200.00
DFT0012543	12/7/2023	FBC-GEORGE	First Bank Card			2,701.95
	113023	Adobe Subscription - Office		01-0-1-53170		263.89
	113023	ACWA Conference Registration for Ge		01-0-1-54260		1,225.00
	113023	Mexico Lindo - Staff Meeting		01-0-1-54440		127.47
	113023	Metico Lindo - Meeting with Don & S		01-0-1-54440		65.98
	113023	Mexico Lindo - Meeting Regarding Ag		01-0-1-54440		42.50
	113023	Active IT -Battery Backup		01-0-1-54530		499.80
	113023	Adobe Subscription - Field		01-1-1-53170		47.98
	113023	Apple - Icloud Storage for Field		01-1-2-53170		0.99
	113023	Apple - Icloud Storage for Field		01-1-2-53170		0.99
	113023	76 - Trk #28 Fuel		01-1-8-54410		103.00
	113023	76 - Trk #28 Fuel		01-1-8-54410		77.37
	113023	Microsoft - Windows 11 for Eng. Mac		01-7-7-53170		199.00
	113023	Adobe Subscription - Eng.		01-7-7-53170		47.98
DFT0012544	12/7/2023	FBC-HEATHER	First Bank Card			624.56
	113023	Amazon - Clorox Towels & Cleaner		01-0-1-54530		42.83
	113023	Amazon - Stamps & Bowls		01-0-1-54530		62.23

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	113023	Amazon - Paper Towels		01-0-1-54530		58.48
	113023	Amazon - Desk Tray, Forks & Batteries		01-0-1-54530		76.16
	113023	Amazon - Quarter Coin Wrappers		01-0-1-54530		14.54
	113023	Amazon - Pennies Coin Wrappers		01-0-1-54530		27.08
	113023	Cert Mail - Express Check		01-0-1-54860		6.75
	113023	Cert Mail - Leak Letters		01-1-6-54860		66.33
	113023	Cert Mail - Leak Letters		01-1-6-54860		54.27
	113023	Cert Mail - Water Theft Letters		01-1-6-54860		6.51
	113023	Amazon - Generator #117 Rim Wheel		01-1-8-54710		74.30
	113023	Amazon - Trailer #114 (2) Tires		01-1-8-54710		135.08
DFT0012545	12/7/2023	FBC-CHRIS	First Bank Card			1,568.27
	113023	The Home Depot - Brass for Sample S		01-0-0-17000	C0095 OUTSIDE SVCS	205.47
	113023	Adobe Subscription		01-1-2-53170		239.88
	113023	The Home Depot - Saw Blades		01-1-2-54650		334.95
	113023	Smart Signs - Wells & Tanks Safety Sig		01-1-3-54500		287.94
	113023	Amazon - Trk #22 Center Wheel Cap		01-1-8-54710		68.90
	113023	Amazon - Trk #31 Battery Lug & Inver		01-1-8-54710		23.12
	113023	Franklin Truck Parts - Drain Valve		01-1-8-54710		23.25
	113023	Franklin Truck Parts - Trailer #112 Bolt		01-1-8-54710		71.64
	113023	Weather Tech - Trk #31 Floor Mats		01-1-8-54710		313.12
DFT0012546	12/7/2023	FBC-LORI	First Bank Card			708.17
	113023	CSMFO - Conference Event Fee		01-0-1-54260		35.00
	113023	CSMFO - Conference Event Fee		01-0-1-54260		135.00
	113023	GFOA Budget Doc Basics Training		01-0-1-54260		210.00
	113023	CSMFO - Chapter Meeting Fee for An		01-0-1-54260		40.00
	113023	CSMFO - Chapter Meeting Fee for Lor		01-0-1-54260		20.00
	113023	Ricks Cafe - Staff Meeting		01-0-1-54440		130.82
	113023	Ricks Cafe - Staff Meeting		01-0-1-54440		137.35
DFT0012547	12/7/2023	FBC-STEVE	First Bank Card			1,190.46
	113023	HD Supply - Lights for Office		01-0-1-54620		309.52
	113023	Amazon - Uniform Jeans for Dennis		22-2-1-54680		114.99
	113023	Amazon - (4) Degreasers		22-2-2-54500		107.76
	113023	Amazon - (4) All Purpose Cleaner		22-2-2-54500		150.00
	113023	Lowe's - Flat Steel, Spray Bottle, Glove		22-2-2-54620		201.79
	113023	Webstaurant Credit		22-2-2-54620		-106.67
	113023	The Home Depot - Wall Lights for P.H.		22-2-2-54620		163.00
	113023	Amazon - Photo Backdrops & Clamps		22-2-2-54800		144.67
	113023	Smart & Final - Freezer Bags & Foam		22-2-2-54800		105.40
DFT0012548	12/7/2023	FBC-JENNIFER	First Bank Card			1,157.60
	113023	Zoom - Cloud Recording Subscription		01-0-1-53170		100.00
	113023	Totally Promotional - Items for Events		01-0-1-54530		279.18
	113023	Amazon - Binding Cover Sheets		01-0-1-54530		42.22
	113023	Amazon - Binder Dividers		01-0-1-54530		20.86
	113023	Vista Print - Business Cards for Angeli		01-0-1-54530		25.31
	113023	Amazon - Emergency Backup Maps		01-1-2-54500		42.66
	113023	Mailchimp - for E-Bills		01-1-6-53170		120.00
	113023	Amazon - Storage Box		22-2-2-54500		97.50
	113023	Webstaurant - Hot Cocoa Mix for Chri		22-2-2-54800		290.82
	113023	Amazon - Candy Canes		22-2-2-54800		27.27
	113023	Amazon - Christmas Glow Sticks		22-2-2-54800		63.34
	113023	Amazon - Paper Roll & Stickers for Ba		22-2-2-54800		48.44
DFT0012549	12/7/2023	FBC-KIM	First Bank Card			696.67
	113023	Adobe Creative Cloud		01-0-1-53170		54.99
	113023	Google - Workspace Business		01-0-1-53170		4.64
	113023	Calendar Wiz - Website Calendar		01-0-1-53170		14.00
	113023	Subway - Employee Training Gift Card		01-0-1-54260		60.00

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	113023	Amazon - Half & Half Creamer for Me		01-0-1-54440		5.52
	113023	Amazon - Chocolate Chip Cookies for		01-0-1-54440		19.98
	113023	Amazon - Coffee Tumbler		01-0-1-54530		48.49
	113023	BKG Hotel - Xlem Conference Stay for		01-1-1-54470		489.05
DFT0012550	12/7/2023	FBC-Aimee	First Bank Card -Aimee			827.47
	113023	Chili's - CSDA Board Sec. Conference		01-0-1-54470		17.69
	113023	Lyft - CSDA Board Sec. Conference Ex		01-0-1-54470		14.99
	113023	Louie Linguini's - CSDA Board Sec. Co		01-0-1-54470		33.90
	113023	Ontario Airport Paiing Fee - CSDA Boa		01-0-1-54470		96.00
	113023	Uber - CSDA Board Sec. Conference E		01-0-1-54470		1.00
	113023	TST Bacon - CSDA Board Sec. Confere		01-0-1-54470		19.50
	113023	Uber - CSDA Board Sec. Conference E		01-0-1-54470		19.06
	113023	Lyft - CSDA Board Sec. Conference Ex		01-0-1-54470		13.99
	113023	Holiday Inn - CSDA Board Sec. Confer		01-0-1-54470		611.34
DFT0012551	12/7/2023	FBC-DEBORAH	First Bank Card			187.15
	113023	Cafe 247 - ACWA Conf. Meal Expense		01-0-1-52229		18.03
	113023	Avis - ACWA Conf. Car Rental Fee		01-0-1-52229		169.12
DFT0012552	12/7/2023	FBC-SEAN	First Bank Card			188.27
	113023	Drills & Cutters - Mtr Box Drill Bit for		01-1-6-54650		188.27
DFT0012553	12/14/2023	SCE 3886-3219	Southern California Edison			127.08
	112823	Electricity - Well #17 10/27 - 11/28		01-1-3-58110		127.08
DFT0012554	12/7/2023	SCE 7695-0442	Southern California Edison			28.99
	112923	Electricity - Fill Station 10/27 - 11/28		01-0-2-58110		28.99
DFT0012555	12/18/2023	SCE 7441-5755	Southern California Edison			255.16
	113023	Electricity - Pinon Hills CC 10/31 - 11/		22-0-2-58110		255.16
DFT0012556	12/14/2023	SCE 8092-3468	Southern California Edison			712.69
	112923	Electricity - NW Dairy Mobile 10/27 -		01-1-3-58110		712.69
DFT0012557	12/14/2023	SCE 4241-7012	Southern California Edison			440.35
	112923	Electricity - S. Dairy Mobile 10/27 - 1		01-1-3-58110		440.35
DFT0012558	12/19/2023	SCE 5917-6455	Southern California Edison			28.56
	113023	Electricity - Phelan Park St. Lights 11/		22-2-2-58110		28.56
DFT0012559	12/14/2023	SCE 3752-2894	Southern California Edison			209.58
	112923	Electricity - N. Dairy Mobile 10/27 - 1		01-1-3-58110		209.58
DFT0012560	12/14/2023	SCE 2439-1773	Southern California Edison			14.98
	112523	Electricity - Phelan Park 10/24 - 11/2		22-0-2-58110		14.98
DFT0012561	12/14/2023	SCE 9587-0653	Southern California Edison			-1,458.68
	102323-1	Electricity - Office Credits 9/25 - 10/2		01-1-3-58115		-1,458.68
DFT0012562	12/14/2023	SCE 9587-0653	Southern California Edison			1,187.71
	102323-2	Electricity - Office 9/25 - 10/23		01-0-1-58110		1,187.71
DFT0012563	12/19/2023	SCE 1613-6373	Southern California Edison			18.28
	113023	Electricity - R/R Crossings 11/1 - 11/3		23-0-2-58210		18.28
DFT0012564	12/19/2023	SCE 4490-1265	Southern California Edison			18.28
	113023	Electricity - P.H. Fire Station 11/1 - 11		22-0-2-58110		18.28
DFT0012565	12/4/2023	VER FLEET	Verizon Connect Fleet USA, LLC			353.94
	629000049444	Fleet GPS - Oct.		01-1-8-54300		353.94
DFT0012566	12/4/2023	VER FLEET	Verizon Connect Fleet USA, LLC			341.10
	616000050371	Fleet GPS - Nov.		01-1-8-54300		341.10

Cash Disbursements Report

Payment Dates: 12/1/2023 - 12/31/2023

Payment Number	Payment Date Payable Number	Vendor # Description	Vendor Name	Account Number	Project Account Key	Payment Amount Item Amount
DFT0012567	12/7/2023 11974R	ACT IT Software Support - Dec.	David Shay	01-0-1-53170		6,557.44 6,557.44
DFT0012568	12/7/2023	NAPA	NAPA Auto Parts			1,041.99
	113023	Inv #601591 - Battery for Front Gate		01-1-2-54500		156.05
	113023	Inv #6001101 - Battery for L1 Transdu		01-1-3-54620		220.71
	113023	Inv #603222-Trk #115 Hydraulic Fluid,		01-1-8-54710		259.18
	113023	Inv #603701 - Trk #29 Repair Fittings		01-1-8-54710		9.74
	113023	Inv #6032323 Trk #102 Hydraulic Flui		01-1-8-54710		213.32
	113023	Inv #602624 - Trk #29 Air Chuck		01-1-8-54710		13.92
	113023	Inv #601335 - Items for #117		01-1-8-54710		80.44
	113023	Inv #601817 - Trk #22 Turn Signal & L		01-1-8-54710		36.60
	113023	Inv #602582 Trk #24 Additives		01-1-8-54710		26.88
	113023	Inv #601856 - Trk #24 Engine Degreas		01-1-8-54710		17.63
	113023	Inv #603713 - Trk #112 Grommet for		01-1-8-54710		7.52
DFT0012569	12/7/2023	FBC-DON	First Bank Card			1,680.90
	113023	Shell - Fuel		01-0-1-54140		177.79
	113023	Chevron - Fuel		01-0-1-54140		160.10
	113023	76 - Fuel		01-0-1-54140		83.40
	113023	Ricks Cafe - Meeting with George & D		01-0-1-54440		62.42
	113023	Ricks Cafe - Staff Meeting		01-0-1-54440		111.74
	113023	Einstein Bros		01-0-1-54470		11.34
	113023	Southwest Airlines		01-0-1-54470		11.20
	113023	Southwest Airlines		01-0-1-54470		11.20
	113023	Hyatt Regency Credit		01-0-1-54470		-334.64
	113023	Southwest Airlines		01-0-1-54470		457.95
	113023	Southwest Airlines		01-0-1-54470		330.96
	113023	Hyatt Regency - CSDA Meeting Stay		01-0-1-54470		280.58
	113023	Kesh Cab - CSDA Transportation		01-0-1-54470		133.38
	113023	Southwest Airlines		01-0-1-54470		38.00
	113023	Ontario Airport Parking Fee		01-0-1-54470		60.00
	113023	Southwest Airlines		01-0-1-54470		11.20
	113023	Staples - Pens		01-0-1-54530		74.28
DFT0012570	12/7/2023 4173717777	CIN UNI Vehicle Wash Station Supplies	Cintas Corporation	01-1-8-54710		39.08 39.08
DFT0012571	12/7/2023	CINFIR	Cintas			221.77
	5184391923	First Aid Supplies - CSD		01-0-1-54500		217.33
	5184391923	First Aid Supplies - CSD		22-0-1-54500		4.44
DFT0012572	12/7/2023	CINFIR	Cintas			455.57
	5184391993	First Aid Supplies - Shop		01-1-1-54500		455.57
DFT0012573	12/7/2023	CIN UNI	Cintas Corporation			557.60
	113023	Uniform Rental Svcs. - Nov.		01-1-1-54680		517.16
	113023	Uniform Rental Svcs. - Nov.		22-2-1-54680		40.44
DFT0012574	12/7/2023	FBC-KIM	First Bank Card			2,650.48
	0256306992	Jackets for Field Staff		01-1-2-54680		2,177.18
	0256306992	Jackets for Parks Staff		22-2-1-54680		473.30
DFT0012575	12/8/2023	CALPERS 457	California Public Employees' Deferred Compensation Plan			275.00
	INV0005501	Cal PERS 457/ Employer Plan: 450 71		01-1-0-24560		214.68
	INV0005501	Cal PERS 457/ Employer Plan: 450 71		22-2-0-24560		5.00
	INV0005501	Cal PERS 457/ Employer Plan: 450 71		25-5-0-24560		55.32
DFT0012576	12/8/2023	CALPERS	Calif Public Employees' Retirement System			4,184.16
	INV0005502	CalPERS/Employee Portion(EE)		01-1-0-24530		3,348.30
	INV0005502	CalPERS/Employee Portion(EE)		01-7-0-24530		434.18
	INV0005502	CalPERS/Employee Portion(EE)		22-2-0-24530		280.58

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Payment Dates: 12/1/2023 - 12/31/2023

Payment Number	Payment Date Payable Number	Vendor # Description	Vendor Name	Account Number	Project Account Key	Payment Amount Item Amount
	INV0005502	CalPERS/Employee Portion(E)		25-5-0-24530		121.10
DFT0012577	12/8/2023	CALPERS	Calif Public Employees' Retirement System			3,736.83
	INV0005503	CalPERS/Employee Portion(ER)		01-1-0-24530		2,612.10
	INV0005503	CalPERS/Employee Portion(ER)		01-7-0-24530		451.71
	INV0005503	CalPERS/Employee Portion(ER)		22-2-0-24530		464.07
	INV0005503	CalPERS/Employee Portion(ER)		25-5-0-24530		208.95
DFT0012578	12/8/2023	CALPERS	Calif Public Employees' Retirement System			10,176.58
	INV0005504	CalPERS/Employer Portion		01-1-0-24530		7,474.20
	INV0005504	CalPERS/Employer Portion		01-7-0-24530		1,183.49
	INV0005504	CalPERS/Employer Portion		22-2-0-24530		1,050.44
	INV0005504	CalPERS/Employer Portion		25-5-0-24530		468.45
DFT0012579	12/8/2023	CALPERS	Calif Public Employees' Retirement System			24.18
	INV0005505	CalPERS Retirement/ Survivor Benefit		01-1-0-24530		17.92
	INV0005505	CalPERS Retirement/ Survivor Benefit		01-7-0-24530		2.38
	INV0005505	CalPERS Retirement/ Survivor Benefit		22-2-0-24530		2.64
	INV0005505	CalPERS Retirement/ Survivor Benefit		25-5-0-24530		1.24
DFT0012580	12/8/2023	EDD	Employment Development Department			814.93
	INV0005506	State Disability Ins - Payroll Taxes		01-0-0-24510		814.93
DFT0012581	12/8/2023	IRS	Internal Revenue Service			223.20
	INV0005507	Social Security - Payroll Taxes		01-0-0-24510		223.20
DFT0012582	12/8/2023	EDD	Employment Development Department			0.01
	INV0005508	State Employer Training Tax - Payroll T		01-0-0-24510		0.01
DFT0012583	12/8/2023	EDD	Employment Development Department			0.01
	INV0005509	State Unemployment Ins - Payroll Tax		01-0-0-24510		0.01
DFT0012584	12/8/2023	EDD	Employment Development Department			4,806.09
	INV0005510	CA State Income Tax - Payroll Taxes		01-0-0-24510		4,806.09
DFT0012585	12/8/2023	IRS	Internal Revenue Service			3,366.48
	INV0005511	Medicare - Payroll Taxes		01-0-0-24510		3,366.48
DFT0012586	12/8/2023	IRS	Internal Revenue Service			12,932.19
	INV0005512	Federal Income Tax - Payroll Taxes		01-0-0-24510		12,932.19
DFT0012587	12/21/2023	VER AIR	Verizon Wireless			1,330.79
	9950708908	Phones, Jet Packs, Tablets, On Call - N		01-1-1-58010		1,330.79
DFT0012588	12/18/2023	THEGAS	The Gas Company			91.75
	113023-6056	Gas - Pinon Hills CC 10/26-11/28		22-0-2-58110		91.75
DFT0012589	12/18/2023	THEGAS	The Gas Company			16.27
	113023-6781	Gas - Pinon Hills Fire 10/26-11/28		22-0-2-58110		16.27
DFT0012590	12/21/2023	XEROX	Xerox Corporation			280.55
	5199489	Copier Lease 12/12-1/11		01-0-1-54300		280.55
DFT0012591	12/19/2023	FRO 8637	Frontier Communications			65.26
	121823	Phones - Sr. Center 11/19-12/18		22-0-1-58010		65.26
DFT0012592	12/21/2023	FRO 5743	Frontier Communications			99.24
	120723	Phones - Office 12/7-1/6		01-0-1-58010		99.24
DFT0012593	12/19/2023	FRO 5072	Frontier Communications			158.04
	122423	Phones - Oasis Yard 11/25-12/24		01-1-1-58010		158.04
DFT0012594	12/21/2023	FRO 3434	Frontier Communications			198.22
	121023	Phones - Telemetry 12/10-1/9		01-1-5-58010		198.22

Cash Disbursements Report

Payment Dates: 12/1/2023 - 12/31/2023

Payment Number	Payment Date Payable Number	Vendor # Description	Vendor Name	Account Number	Project Account Key	Payment Amount Item Amount
DFT0012595	12/21/2023 103123-1 103123-1	SCE 9515-2666 Electricity, Wells, Boosters, Tanks, Cre Electricity, Wells, Boosters, Tanks, Cre	Southern California Edison	01-1-3-58110 01-1-3-58115		654.12 925.09 -270.97
DFT0012596	12/21/2023 103123-2 103123-2	SCE 9515-2666 Electricity, Wells, Boosters,Tanks - Oct Electricity, Wells, Boosters,Tanks, CR -	Southern California Edison	01-1-3-58110 01-1-3-58115		71,618.92 96,651.90 -25,032.98
DFT0012597	12/21/2023 113023 113023 113023	SCE 9515-2666 Electricity, Wells,Boosters, Tanks - No Electricity, Wells,Boosters, Tanks, CR - St.Lights- Nov.	Southern California Edison	01-1-3-58110 01-1-3-58115 23-3-2-58210		9,277.90 8,689.58 -1,083.86 1,672.18
DFT0012598	12/11/2023 2161018A	AME FID Flex Spending 12/1	American Fidelity Assurance Company	01-0-0-24580		187.49 187.49
DFT0012599	12/19/2023 010124	VSP Vision Insurance - Jan.	Vision Service Plan	01-0-0-14130		471.38 471.38
DFT0012601	12/22/2023 INV0005513 INV0005513 INV0005513	CALPERS 457 Cal PERS 457/ Employer Plan: 450 71 Cal PERS 457/ Employer Plan: 450 71 Cal PERS 457/ Employer Plan: 450 71	California Public Employees' Deferred Compensation Plan	01-1-0-24560 22-2-0-24560 25-5-0-24560		275.00 204.90 7.48 62.62
DFT0012602	12/22/2023 INV0005514 INV0005514 INV0005514 INV0005514	CALPERS CalPERS/Employee Portion(EE) CalPERS/Employee Portion(EE) CalPERS/Employee Portion(EE) CalPERS/Employee Portion(EE)	Calif Public Employees' Retirement System	01-1-0-24530 01-7-0-24530 22-2-0-24530 25-5-0-24530		4,188.35 3,309.89 309.04 372.69 196.73
DFT0012603	12/22/2023 INV0005515 INV0005515 INV0005515 INV0005515	CALPERS CalPERS/Employee Portion(ER) CalPERS/Employee Portion(ER) CalPERS/Employee Portion(ER) CalPERS/Employee Portion(ER)	Calif Public Employees' Retirement System	01-1-0-24530 01-7-0-24530 22-2-0-24530 25-5-0-24530		3,736.83 2,584.00 451.71 492.14 208.98
DFT0012604	12/22/2023 INV0005516 INV0005516 INV0005516 INV0005516	CALPERS CalPERS/Employer Portion CalPERS/Employer Portion CalPERS/Employer Portion CalPERS/Employer Portion	Calif Public Employees' Retirement System	01-1-0-24530 01-7-0-24530 22-2-0-24530 25-5-0-24530		10,180.71 7,393.97 1,059.47 1,183.84 543.43
DFT0012605	12/22/2023 INV0005517 INV0005517 INV0005517 INV0005517	CALPERS CalPERS Retirement/ Survivor Benefit CalPERS Retirement/ Survivor Benefit CalPERS Retirement/ Survivor Benefit CalPERS Retirement/ Survivor Benefit	Calif Public Employees' Retirement System	01-1-0-24530 01-7-0-24530 22-2-0-24530 25-5-0-24530		24.18 17.80 1.99 2.95 1.44
DFT0012606	12/22/2023 INV0005518	EDD State Disability Ins - Payroll Taxes	Employment Development Department	01-0-0-24510		730.16 730.16
DFT0012607	12/22/2023 INV0005519	IRS Social Security - Payroll Taxes	Internal Revenue Service	01-0-0-24510		104.16 104.16
DFT0012608	12/22/2023 INV0005520	EDD CA State Income Tax - Payroll Taxes	Employment Development Department	01-0-0-24510		4,414.51 4,414.51
DFT0012609	12/22/2023 INV0005521	IRS Medicare - Payroll Taxes	Internal Revenue Service	01-0-0-24510		3,269.94 3,269.94
DFT0012610	12/22/2023 INV0005522	IRS Federal Income Tax - Payroll Taxes	Internal Revenue Service	01-0-0-24510		12,358.52 12,358.52

Cash Disbursements Report

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Payment Number	Payment Date Payable Number	Vendor # Description	Vendor Name	Account Number	Project Account Key	Payment Amount Item Amount
DFT0012613	12/27/2023 120623	SCE 1078-5254 Electricity - CC & Sr. Ctr. 11/6 - 12/6	Southern California Edison	22-0-2-58110		361.15 361.15
DFT0012615	12/28/2023 2161026A	AME FID Flex Spending 12/15	American Fidelity Assurance Company	01-0-0-24580		187.49 187.49
DFT0012616	12/27/2023 D671146	AME SUP Supplemental Life Insurance - Dec.	American Fidelity Assurance	01-0-0-24580		663.24 663.24
DFT0012619	12/21/2023 122023	PIT RES Postage Machine Refill	Pitney Bowes Bank Inc. Reserve Account	01-0-1-54860		500.00 500.00
DFT0012650	12/15/2023 41254	ANTBLU Health Premium - Jan.	Anthem Blue Cross	01-0-0-14130		16,453.74 16,453.74
Payment Total:						750,451.94

Report Summary

Fund Summary

Fund	Payment Amount
01 - WATER FUND	703,327.98
20 - GOV'T GENERAL FUND	10,537.50
22 - PARKS & RECREATION	30,418.55
23 - STREET LIGHTING	1,690.46
25 - SOLID WASTE	4,477.45
Grand Total:	750,451.94

Account Summary

Account Number	Account Name	Payment Amount
01-0-0-14130	Prepaid Benefit	56,156.79
01-0-0-17000	CIP Enterprise Funds	39,883.82
01-0-0-24510	Payroll Tax Payable	56,976.70
01-0-0-24580	Supplemental Ins W/H P	1,038.22
01-0-1-51230	Employee Group Insuran	2,260.68
01-0-1-52210	Board Exp - Auto Expens	-11.33
01-0-1-52214	Board - Auto Expense/H	19.13
01-0-1-52215	Board - Auto Expense/R	132.31
01-0-1-52219	Board - Auto Expense/P	121.83
01-0-1-52229	Board - Meals,Travel Exp	187.15
01-0-1-52239	Board - Education,Traini	35.00
01-0-1-53120	Legal Services	7,012.50
01-0-1-53150	Outside Service	6,026.32
01-0-1-53160	Permits & Fees	134.83
01-0-1-53170	Software Support	6,994.96
01-0-1-54110	Advertising	1,250.00
01-0-1-54140	Auto Expense	1,244.79
01-0-1-54200	Credit Card Fee & Bank	627.84
01-0-1-54230	Dues & Subscriptions	75.00
01-0-1-54260	Education & Training	4,292.86
01-0-1-54300	Equipment Rental / Leas	280.55
01-0-1-54320	General Maintenance	340.00
01-0-1-54440	Meeting, Seminar & Sup	703.78
01-0-1-54470	Travel Expense	1,838.64
01-0-1-54500	Operating Supplies	406.09
01-0-1-54530	Office Supplies	1,511.28
01-0-1-54620	Repair & Maintenance	2,204.52
01-0-1-54680	Uniforms	514.38
01-0-1-54860	Postage & Mailing	503.18
01-0-1-58010	Telephone	1,078.24
01-0-1-58110	Utilities	1,576.16
01-0-2-58110	Utilities	417.57
01-1-0-13010	Inventory - Water Field P	66,625.90
01-1-0-23330	Customer Deposit - Mai	7,499.80
01-1-0-24530	Retirement W/H Payable	26,758.18
01-1-0-24560	Retirement 457 W/H Pay	419.58
01-1-0-29740	Loan Payable - CalTrans	6,555.39
01-1-0-29760	Loan Payable - MFC Civic	94,220.31
01-1-1-53120	Legal Services	800.00
01-1-1-53150	Outside Service	13,285.80
01-1-1-53170	Software Support	47.98
01-1-1-54260	Education & Training	235.00
01-1-1-54320	General Maintenance	225.00
01-1-1-54470	Travel Expense	489.05
01-1-1-54500	Operating Supplies	455.57
01-1-1-54530	Office Supplies	2,159.74
01-1-1-54680	Uniforms	517.16
01-1-1-54830	State & County Fees & S	814.00

Account Summary

Account Number	Account Name	Payment Amount
01-1-1-58010	Telephone	1,743.83
01-1-1-59310	Other Operating Expens	0.23
01-1-1-89110	Gain / Loss on Sales of A	1,000.00
01-1-1-91010	Interest Expense	138,299.37
01-1-2-53150	Outside Service	1,484.75
01-1-2-53160	Permits & Fees	1,031.52
01-1-2-53170	Software Support	241.86
01-1-2-54500	Operating Supplies	1,870.33
01-1-2-54620	Repair & Maintenance	9,462.14
01-1-2-54650	Small Tools	348.95
01-1-2-54680	Uniforms	2,672.18
01-1-3-53160	Permits & Fees	902.37
01-1-3-54500	Operating Supplies	2,522.29
01-1-3-54620	Repair & Maintenance	2,410.03
01-1-3-58110	Utilities	107,756.27
01-1-3-58115	Utilities - Solar Credits	-27,846.49
01-1-4-53140	Laboratory Analysis	546.00
01-1-4-54500	Operating Supplies	1,182.97
01-1-5-54620	Repair & Maintenance	9,959.07
01-1-5-58010	Telephone	198.22
01-1-6-53150	Outside Service	150.00
01-1-6-53170	Software Support	650.00
01-1-6-54650	Small Tools	188.27
01-1-6-54860	Postage & Mailing	6,036.81
01-1-6-54890	Printing	5,428.59
01-1-8-54300	Equipment Rental / Leas	695.04
01-1-8-54410	Fuel Costs	6,998.70
01-1-8-54710	Vehicle Maintenance	3,443.61
01-1-9-54800	Programs (Wtr Conserva	1,822.69
01-7-0-24530	Retirement W/H Payable	3,893.97
01-7-7-51230	Employee Group Insuran	230.49
01-7-7-53120	Legal Services	50.00
01-7-7-53150	Outside Service	240.00
01-7-7-53170	Software Support	246.98
01-7-7-54470	Travel Expense	67.23
01-7-7-54530	Office Supplies	457.46
20-0-1-53120	Legal Services	6,487.50
20-0-1-53150	Outside Service	4,050.00
22-0-1-51230	Employee Group Insuran	156.78
22-0-1-53120	Legal Services	30.00
22-0-1-54320	General Maintenance	30.00
22-0-1-54500	Operating Supplies	4.44
22-0-1-54920	Public Relation	2,600.00
22-0-1-58010	Telephone	173.26
22-0-2-58110	Utilities	1,548.28
22-2-0-17000	CIP - Parks & Rec	1,543.00
22-2-0-24530	Retirement W/H Payable	3,849.35
22-2-0-24560	Retirement 457 W/H Pay	12.48
22-2-1-54680	Uniforms	628.73
22-2-2-53150	Outside Service	1,228.85
22-2-2-53160	Permits & Fees	671.00
22-2-2-54300	Equipment Rental / Leas	640.75
22-2-2-54500	Operating Supplies	573.05
22-2-2-54620	Repair & Maintenance	9,758.75
22-2-2-54800	Programs (Park & Rec)	6,941.27
22-2-2-58110	Utilities	28.56
23-0-2-58210	Utilities - Street Lights	18.28
23-3-2-58210	Utilities - Street Lights	1,672.18

Account Summary

Account Number	Account Name	Payment Amount
25-0-1-53120	Legal Services	200.00
25-5-0-24530	Retirement W/H Payable	1,750.32
25-5-0-24560	Retirement 457 W/H Pay	117.94
25-5-1-52210	Board Exp - Auto Expens	11.33
25-5-1-53150	Outside Service	590.00
25-5-1-54800	Programs (Solid Waste)	1,807.86
	Grand Total:	750,451.94

Project Account Summary

Project Account Key	Payment Amount
None	709,025.12
C0002 OUTSIDE SVCS	3,142.00
C0072 OUTSIDE SVCS	221.87
C0078 OUTSIDE SVCS	1,543.00
C0084 OUTSIDE SVCS	425.09
C0095 OUTSIDE SVCS	33,679.86
C0109 OUTSIDE SVCS	2,415.00
	Grand Total:
	750,451.94



Phelan Pinon Hills Community Services District

Revenue and Expense - Ent & Gvmt Funds Summary

For the Period Ending 12/31/2023

	Total ENTERPRISE FUNDS			Total GOVERNMENT FUNDS			TOTAL			Annual Budget
	Budget	Jul - Per	\$ (Unfav) Budget	Budget	Jul - Per	\$ (Unfav) Budget	Budget	Jul - Per	\$ (Unfav) Budget	
Operational										
Revenue										
Total 40 - Water Consumption	2,747,990.48	2,259,005.95	-488,984.53	0.00	0.00	0.00	2,747,990.48	2,259,005.95	-488,984.53	4,528,053.49
Total 41 - Water Meter Charges	1,572,131.58	1,692,878.25	120,746.67	0.00	0.00	0.00	1,572,131.58	1,692,878.25	120,746.67	3,145,521.65
Total 44 - Special Assessments	283,463.96	282,159.50	-1,304.46	0.00	0.00	0.00	283,463.96	282,159.50	-1,304.46	283,463.96
Total 47 - Parks	0.00	0.00	0.00	10,009.50	13,520.00	3,510.50	10,009.50	13,520.00	3,510.50	20,027.07
Total 48 - Other Income	152,454.48	159,438.72	6,984.24	174,509.88	162,770.65	-11,739.23	326,964.36	322,209.37	-4,754.99	654,190.68
Total Revenue	4,756,040.50	4,393,482.42	-362,558.08	184,519.38	176,290.65	-8,228.73	4,940,559.88	4,569,773.07	-370,786.81	8,631,256.85
Expense										
Total 50 - Water	9,474.05	8,508.97	965.08	0.00	0.00	0.00	9,474.05	8,508.97	965.08	25,608.92
Total 51 - Salary & Benefits	1,715,453.73	1,693,338.25	22,115.48	385,006.80	298,686.10	86,320.70	2,100,460.53	1,992,024.35	108,436.18	4,123,319.38
Total 52 - Board	48,505.56	48,412.73	92.83	6,809.76	3,452.03	3,357.73	55,315.32	51,864.76	3,450.56	110,675.00
Total 53 - Professional Fee	203,527.40	225,917.82	-22,390.42	12,562.44	35,039.46	-22,477.02	216,089.84	260,957.28	-44,867.44	455,662.09
Total 54 - Service and Supplies	850,951.04	712,853.29	138,097.75	156,178.37	93,456.30	62,722.07	1,007,129.41	806,309.59	200,819.82	2,004,739.70
Total 58 - Utilities	496,268.00	505,941.27	-9,673.27	28,975.14	28,567.88	407.26	525,243.14	534,509.15	-9,266.01	1,065,425.05
Total 59 - Other Expenses-Depreciation/Amort/Oth	892,953.36	889,658.99	3,294.37	46,361.40	46,348.64	12.76	939,314.76	936,007.63	3,307.13	1,879,381.51
Total Expense	4,217,133.14	4,084,631.32	132,501.82	635,893.91	505,550.41	130,343.50	4,853,027.05	4,590,181.73	262,845.32	9,664,811.65
Net Operational Income	538,907.36	308,851.10	-230,056.26	-451,374.53	-329,259.76	122,114.77	87,532.83	-20,408.66	-107,941.49	-1,033,554.80
Non-Operational										
70 - Property Tax Revenue										
Total 71 - Property Tax Revenue - Current	0.00	0.00	0.00	851,794.97	943,091.41	91,296.44	851,794.97	943,091.41	91,296.44	1,616,787.98
Total 72 - Property Tax Revenue - Prior Years	0.00	0.00	0.00	26,403.56	39,575.65	13,172.09	26,403.56	39,575.65	13,172.09	39,736.26
Total 73 - Property Tax Revenue - Other	8,609.98	7,049.12	-1,560.86	5,075.61	6,298.26	1,222.65	13,685.59	13,347.38	-338.21	32,427.12
Total 70 - Property Tax Revenue	8,609.98	7,049.12	-1,560.86	883,274.14	988,965.32	105,691.18	891,884.12	996,014.44	104,130.32	1,688,951.36
80 - Other Revenue										
Total 82 - Meter Installation/Fees/Capacity	257,827.86	503,618.88	245,791.02	0.00	0.00	0.00	257,827.86	503,618.88	245,791.02	515,862.25
Total 86 - Penalty & Other Fees	103,012.26	102,819.95	-192.31	0.00	0.00	0.00	103,012.26	102,819.95	-192.31	206,107.00
Total 88 - Other	730,199.52	847,828.10	117,628.58	365,713.62	407,862.62	42,149.00	1,095,913.14	1,255,690.72	159,777.58	2,192,703.66
Total 89 - Other Revenue	0.00	30,430.44	30,430.44	0.00	0.00	0.00	0.00	30,430.44	30,430.44	0.00
Total 80 - Other Revenue	1,091,039.64	1,484,697.37	393,657.73	365,713.62	407,862.62	42,149.00	1,456,753.26	1,892,559.99	435,806.73	2,914,672.91
Total Revenue	1,099,649.62	1,491,746.49	392,096.87	1,248,987.76	1,396,827.94	147,840.18	2,348,637.38	2,888,574.43	539,937.05	4,603,624.27

	Total ENTERPRISE FUNDS			Total GOVERNMENT FUNDS			TOTAL			Annual Budget
	Budget	Jul - Per	\$ (Unfav) Budget	Budget	Jul - Per	\$ (Unfav) Budget	Budget	Jul - Per	\$ (Unfav) Budget	
90 - Other Expense										
Total 91 - Interest Expense	45,481.37	158,673.28	-113,191.91	0.00	0.00	0.00	45,481.37	158,673.28	-113,191.91	512,710.00
Total 92 - Loan Expense	16,620.00	16,620.51	-0.51	0.00	0.00	0.00	16,620.00	16,620.51	-0.51	16,620.00
Total 93 - Other Expense - Tax Processing	0.00	0.00	0.00	1,956.36	2,436.85	-480.49	1,956.36	2,436.85	-480.49	3,914.35
Total 94 - Chromium 6 Expense Reimb	421,342.44	0.00	421,342.44	0.00	0.00	0.00	421,342.44	0.00	421,342.44	843,022.20
Total 95 - Fair Market Value	5,000.00	-17,155.82	22,155.82	3,000.00	-14,025.77	17,025.77	8,000.00	-31,181.59	39,181.59	8,000.00
Total 99 - Other	0.00	217,175.16	-217,175.16	0.00	-217,175.16	217,175.16	0.00	0.00	0.00	0.00
Total 90 - Other Expense	488,443.81	375,313.13	113,130.68	4,956.36	-228,764.08	233,720.44	493,400.17	146,549.05	346,851.12	1,384,266.55
Total Expense	488,443.81	375,313.13	113,130.68	4,956.36	-228,764.08	233,720.44	493,400.17	146,549.05	346,851.12	1,384,266.55
Net Non-Operational Income	611,205.81	1,116,433.36	505,227.55	1,244,031.40	1,625,592.02	381,560.62	1,855,237.21	2,742,025.38	886,788.17	3,219,357.72
Net Income	1,150,113.17	1,425,284.46	275,171.29	792,656.87	1,296,332.26	503,675.39	1,942,770.04	2,721,616.72	778,846.68	2,185,802.92



Balance Sheet - Consolidated Account Summary

As Of 12/31/2023

	Beginning Balance 07/01/2023	12/31/2023	Change
Assets			
Current Assets			
11 - Cash			
11000 - Cash in Bank	9,278,684.82	9,990,998.40	712,313.58
11100 - Cash in Bank-Project Fund	6,041,609.94	6,085,255.30	43,645.36
11201 - Cash-Operating Reserves	2,065,312.00	2,065,312.00	0.00
11202 - Cash-Replacement Reserves	4,683,713.52	4,575,125.94	-108,587.58
11203 - Cash-Disaster Reserves	4,317,569.52	4,208,981.94	-108,587.58
11300 - Cash-Water Resources (Righ	405,611.81	545,724.86	140,113.05
11310 - Cash-Water Rights (Connect	212,960.00	417,824.00	204,864.00
11400 - Rate Stabilization Cash Fund	389,304.00	389,304.00	0.00
Total 11 - Cash	27,394,765.61	28,278,526.44	883,760.83
12 - Accounts Receivable			
12010 - Accounts Receivable - Wate	935,802.51	799,112.74	-136,689.77
12020 - AR Accounts Receivable	5,314.01	8,261.83	2,947.82
12150 - A/R - Accrual	77,732.54	81,421.10	3,688.56
12200 - Accounts Receivable - Parks	22,364.12	2,390.00	-19,974.12
12610 - Delinquent Accounts to Tax	35,078.18	91,922.12	56,843.94
12630 - Water Availability Receivabl	90,517.76	199,473.71	108,955.95
12640 - Water Availability Receivabl	34.80	34.80	0.00
12740 - Tax Receivable - PPHCSD	45,279.28	0.00	-45,279.28
12750 - Lease Receivable - Circle Gre	55,213.17	55,213.17	0.00
12751 - Lease Receivable - C & G Par	179,337.69	179,337.69	0.00
12800 - Other Receivable	41,184.68	40,130.34	-1,054.34
12910 - Accrued Interest Receivable	302,566.51	399,275.07	96,708.56
Total 12 - Accounts Receivable	1,790,425.25	1,856,572.57	66,147.32
13 - Inventory			
13010 - Inventory - Water Field Part	730,982.53	1,015,173.53	284,191.00
Total 13 - Inventory	730,982.53	1,015,173.53	284,191.00
14 - Other Current Assets			
14100 - Prepaid Expense	279,477.74	163,021.55	-116,456.19
14120 - Prepaid - Worker's Comp	81,709.97	40,877.30	-40,832.67
14130 - Pre Paid Benefit	29,303.66	43,540.19	14,236.53
14300 - Deferred Outflows of Resou	627,075.00	627,075.00	0.00
Total 14 - Other Current Assets	1,017,566.37	874,514.04	-143,052.33
Total Current Assets	30,933,739.76	32,024,786.58	1,091,046.82
Fixed Assets			
15 - Fixed Assets			
15100 - Land	1,340,885.87	1,340,885.87	0.00
15110 - Land	1,828,390.36	1,828,390.36	0.00
15120 - Land - Parks - Phelan	1,504,729.22	1,504,729.22	0.00
15130 - Land - Parks - Pinon Hills	53,892.65	53,892.65	0.00
15150 - Water Rights	16,371,782.80	16,371,782.80	0.00
15160 - Planning and Development	3,969,753.59	3,969,753.59	0.00
15200 - Bldg & Facilities -Pump Stati	4,114,807.94	4,114,807.94	0.00
15230 - Bldg & Facilities	6,826,664.10	6,826,664.10	0.00
15250 - Water Shares - SCWC	8,400.00	8,400.00	0.00
15320 - Improvement - Phelan	714,266.09	714,266.09	0.00
15330 - Improvement - Pinon Hills	621,073.45	621,073.45	0.00
15340 - Improvement - Parks Devel	57,834.16	57,834.16	0.00
15410 - Wells	5,948,269.17	5,948,269.17	0.00
15420 - Reservoirs	4,187,496.00	4,187,496.00	0.00

Balance Sheet - Consolidated

As Of 12/31/2023

	Beginning Balance 07/01/2023	12/31/2023	Change
15430 - Tanks	2,281,723.29	2,281,723.29	0.00
15440 - Hydrants Telemetry & Contr	191,669.94	191,669.94	0.00
15450 - Transmission & Dist. Mains	18,644,149.27	18,644,149.27	0.00
15480 - Meters	2,258,854.75	2,258,854.75	0.00
Total 15 - Fixed Assets	70,924,642.65	70,924,642.65	0.00
16 - Equipment			
16620 - Equipment - Computer	1,289,606.51	1,289,606.51	0.00
16630 - Equipment-Office Furnitures:	24,914.92	24,914.92	0.00
16640 - Equipment - Operation	574,106.62	574,106.62	0.00
16650 - Equipment - P	12,845.00	12,845.00	0.00
16730 - Trucks	749,912.33	786,810.01	36,897.68
16740 - Backhoe & Trailer	151,064.94	151,064.94	0.00
16750 - Dump Truck	190,800.59	190,800.59	0.00
16800 - Other Equipment	82,940.01	82,940.01	0.00
Total 16 - Equipment	3,076,190.92	3,113,088.60	36,897.68
17 - CIP			
17000 - CIP -	3,067,322.12	3,697,543.41	630,221.29
Total 17 - CIP	3,067,322.12	3,697,543.41	630,221.29
19 - Accumulated Depreciation			
19010 - Accm. Depreciation - ADM	-360,225.55	-379,303.12	-19,077.57
19040 - Accm. Depreciation - Parks	-1,646,540.10	-1,688,344.97	-41,804.87
19050 - Accm. Depreciation - OP	-1,648,379.24	-1,788,457.19	-140,077.95
19200 - Accm. Depreciation - Bldg &	-3,432,955.76	-3,476,471.37	-43,515.61
19410 - Accm. Depreciation - Wells	-2,659,110.27	-2,755,826.97	-96,716.70
19420 - Accm. Depreciation - Reserv	-3,522,742.88	-3,599,437.89	-76,695.01
19430 - Accm. Depreciation - Tanks	-949,227.27	-982,883.91	-33,656.64
19440 - Accm. Depreciation - Hydrar	-191,669.94	-191,669.94	0.00
19450 - Accm. Depreciation - Transn	-14,327,913.29	-14,503,266.17	-175,352.88
19470 - Accm. Depreciation - Meters:	-692,826.38	-748,868.74	-56,042.36
19620 - Accm. Depreciation - Equipn	-1,214,341.67	-1,224,640.14	-10,298.47
19630 - Accm. Depreciation - Office	-24,914.92	-24,914.92	0.00
19640 - Accm. Depreciation - Equipn	-161,436.80	-182,666.10	-21,229.30
19730 - Accm. Depreciation - Truck	-463,206.30	-483,393.10	-20,186.80
19740 - Accm. Depreciation - Backhc	-120,309.15	-127,406.64	-7,097.49
19750 - Accm. Depreciation - Dump	-143,601.98	-159,334.85	-15,732.87
19800 - Accm. Depreciation - Other	-59,019.01	-59,963.26	-944.25
19900 - Accm. Amortization	-2,794,978.02	-2,932,117.38	-137,139.36
Total 19 - Accumulated Depreciation	-34,413,398.53	-35,308,966.66	-895,568.13
Total Fixed Assets	42,654,757.16	42,426,308.00	-228,449.16
Other Assets			
18 - Other Assets			
18100 - Deposits	500.00	500.00	0.00
Total 18 - Other Assets	500.00	500.00	0.00
Total Other Assets	500.00	500.00	0.00
Total Assets	73,588,996.92	74,451,594.58	862,597.66
Liability			
Current Liabilities			
21 - Accounts Payable			
21100 - Accounts Payable - Trade	1,050,475.31	131,186.02	-919,289.29
21150 - Accounts Payable - Unclaimt	1,912.24	2,155.55	243.31
Total 21 - Accounts Payable	1,052,387.55	133,341.57	-919,045.98
22 - Accrrued Payable			
22150 - Accrued Interest Payable	241,925.02	0.00	-241,925.02
22210 - Deferred Revenue	65,471.48	559.80	-64,911.68
Total 22 - Accrrued Payable	307,396.50	559.80	-306,836.70
23 - Deposit			

Balance Sheet - Consolidated

As Of 12/31/2023

	Beginning Balance 07/01/2023	12/31/2023	Change
23310 - Customer Deposits	17,501.00	17,501.00	0.00
23320 - Customer Deposit - Meter	23,000.00	18,500.00	-4,500.00
23330 - Customer Deposit - Maint. B	13,165.88	13,029.81	-136.07
Total 23 - Deposit	53,666.88	49,030.81	-4,636.07
24 - Payroll Liability			
24410 - Accrued Payroll	84,722.86	0.00	-84,722.86
24510 - Payroll Tax Payable	20,185.37	23,790.73	3,605.36
24530 - Retirement W/H Payable	15,515.86	18,125.63	2,609.77
24535 - Retirement W/H Payable-Pr	23,563.76	23,563.76	0.00
24540 - Worker's Compensation Pay	3,580.01	0.00	-3,580.01
24560 - Retirement 457 W/H Payabl	175.00	275.00	100.00
24580 - Supplemental Ins W/H Paya	371.81	-1.59	-373.40
24650 - Current P- Compensated ab:	132,697.20	132,697.20	0.00
Total 24 - Payroll Liability	280,811.87	198,450.73	-82,361.14
25 - Other Current Liabilities			
25510 - Deferred Inflow Lease - Circl	50,685.72	50,685.72	0.00
25511 - Deferred Inflow Lease - C &	164,928.43	164,928.43	0.00
Total 25 - Other Current Liabilities	215,614.15	215,614.15	0.00
Total Current Liabilities	1,909,876.95	596,997.06	-1,312,879.89
Long Term Liabilities			
29 - Long Term Liability			
29720 - CIEDB Loan	5,540,170.16	5,318,665.51	-221,504.65
29740 - Loan Payable - CalTrans	32,851.87	19,756.00	-13,095.87
29750 - MFC Loan 2021	4,767,010.10	4,643,912.07	-123,098.03
29760 - MFC Civic Center Site Lease	6,040,000.00	5,851,559.38	-188,440.62
29800 - Compensated absences	132,697.20	132,697.20	0.00
29850 - Net Pension Liability	34,656.00	34,656.00	0.00
Total 29 - Long Term Liability	16,547,385.33	16,001,246.16	-546,139.17
Total Long Term Liabilities	16,547,385.33	16,001,246.16	-546,139.17
Total Liability	18,457,262.28	16,598,243.22	-1,859,019.06
Equity			
31 - Board Designated Reserves			
31110 - Operating Reserve - Water&	1,819,463.00	1,819,463.00	0.00
31150 - Operating Reserve - Govt Fu	245,849.00	245,849.00	0.00
31210 - Debt Service Reserve - CEIDI	625,392.00	625,392.00	0.00
31220 - Water Rate Stabilization Fur	389,304.00	389,304.00	0.00
31310 - Replacement Reserve - Wati	4,457,243.52	4,348,655.94	-108,587.58
31350 - Replacement Reserve - Govt	226,470.00	226,470.00	0.00
31410 - Disaster Reserve-Water&Ad	4,103,496.52	3,994,908.94	-108,587.58
31450 - Disaster Reserve - Govt Func	214,073.00	214,073.00	0.00
Total 31 - Board Designated Reserves	12,081,291.04	11,864,115.88	-217,175.16
32 - Unrestricted			
32000 - Unrestricted Net Assets	17,140,523.41	17,357,698.57	217,175.16
Total 32 - Unrestricted	17,140,523.41	17,357,698.57	217,175.16
33 - Investment in Plant			
33110 - Investments in Utility Plant-	23,764,129.39	23,764,129.39	0.00
33120 - Investments in Utility Plant-	2,145,790.80	2,145,790.80	0.00
Total 33 - Investment in Plant	25,909,920.19	25,909,920.19	0.00
Total Beginning Equity	55,131,734.64	55,131,734.64	0.00
Total Revenue	0.00	7,458,347.50	7,458,347.50
Total Expense	0.00	4,736,730.78	4,736,730.78
Total Equity and Current Surplus (Deficit):	55,131,734.64	57,853,351.36	2,721,616.72
Total Liabilities, Equity and Current Surplus (Deficit):	73,588,996.92	74,451,594.58	862,597.66



Revenue and Expense - Consolidated Summary

For the Period Ending 12/31/2023

	CURRENT			YEAR TO DATE			Annual Budget	%	
	Budget	Per	\$ (Unfav) Budget	YTD Budget	Jul - Per	\$ (Unfav) Budget			
Operational Revenue									
Total 40 - Water Consumption	265,099.47	212,215.02	-52,884.45	2,747,990.48	2,259,005.95	-488,984.53	4,528,053.49	49.89%	-10.80%
Total 41 - Water Meter Charges	262,021.93	319,405.83	57,383.90	1,572,131.58	1,692,878.25	120,746.67	3,145,521.65	53.82%	3.84%
Total 44 - Special Assessments	0.00	0.00	0.00	283,463.96	282,159.50	-1,304.46	283,463.96	99.54%	-0.46%
Total 47 - Parks	1,668.25	1,640.00	-28.25	10,009.50	13,520.00	3,510.50	20,027.07	67.51%	17.53%
Total 48 - Other Income	54,494.06	51,597.04	-2,897.02	326,964.36	322,209.37	-4,754.99	654,190.68	49.25%	-0.73%
Total Revenue	583,283.71	584,857.89	1,574.18	4,940,559.88	4,569,773.07	-370,786.81	8,631,256.85	52.94%	-4.30%
Expense									
Total 50 - Water	3,835.86	3,518.68	317.18	9,474.05	8,508.97	965.08	25,608.92	33.23%	3.77%
Total 51 - Salary & Benefits	373,841.89	445,260.36	-71,418.47	2,100,460.53	1,992,024.35	108,436.18	4,123,319.38	48.31%	2.63%
Total 52 - Board	9,219.22	9,749.31	-530.09	55,315.32	51,864.76	3,450.56	110,675.00	46.86%	3.12%
Total 53 - Professional Fee	37,094.14	53,028.79	-15,934.65	216,089.84	260,957.28	-44,867.44	455,662.09	57.27%	-9.85%
Total 54 - Service and Supplies	166,185.55	91,057.47	75,128.08	1,007,129.41	806,309.59	200,819.82	2,004,739.70	40.22%	10.02%
Total 58 - Utilities	53,528.03	19,636.86	33,891.17	525,243.14	534,509.15	-9,266.01	1,065,425.05	50.17%	-0.87%
Total 59 - Other Expenses-Depreciation/Amort/Other	156,552.46	156,587.25	-34.79	939,314.76	936,007.63	3,307.13	1,879,381.51	49.80%	0.18%
Total Expense	800,257.15	778,838.72	21,418.43	4,853,027.05	4,590,181.73	262,845.32	9,664,811.65	47.49%	2.72%
Net Operational Income	-216,973.44	-193,980.83	22,992.61	87,532.83	-20,408.66	-107,941.49	-1,033,554.80	1.97%	10.44%
Non-Operational									
70 - Property Tax Revenue									
Total 71 - Property Tax Revenue - Current	582,505.77	667,777.94	85,272.17	851,794.97	943,091.41	91,296.44	1,616,787.98	58.33%	5.65%
Total 72 - Property Tax Revenue - Prior Years	2,373.17	3,395.30	1,022.13	26,403.56	39,575.65	13,172.09	39,736.26	99.60%	33.15%
Total 73 - Property Tax Revenue - Other	3,379.58	3,210.76	-168.82	13,685.59	13,347.38	-338.21	32,427.12	41.16%	-1.04%
Total 70 - Property Tax Revenue	588,258.52	674,384.00	86,125.48	891,884.12	996,014.44	104,130.32	1,688,951.36	58.97%	6.17%
80 - Other Revenue									
Total 82 - Meter Installation/Fees/Capacity	42,971.31	107,485.18	64,513.87	257,827.86	503,618.88	245,791.02	515,862.25	97.63%	47.65%
Total 86 - Penalty & Other Fees	17,168.71	16,807.39	-361.32	103,012.26	102,819.95	-192.31	206,107.00	49.89%	-0.09%
Total 88 - Other	182,652.19	223,174.90	40,522.71	1,095,913.14	1,255,690.72	159,777.58	2,192,703.66	57.27%	7.29%
Total 89 - Other Revenue	0.00	20,430.44	20,430.44	0.00	30,430.44	30,430.44	0.00	0.00%	0.00%
Total 80 - Other Revenue	242,792.21	367,897.91	125,105.70	1,456,753.26	1,892,559.99	435,806.73	2,914,672.91	64.93%	14.95%
Total Revenue	831,050.73	1,042,281.91	211,231.18	2,348,637.38	2,888,574.43	539,937.05	4,603,624.27	62.75%	11.73%

	CURRENT			YEAR TO DATE					
	Budget	Per	\$ (Unfav) Budget	YTD Budget	Jul - Per	\$ (Unfav) Budget	Annual Budget	%	
90 - Other Expense									
Total 91 - Interest Expense	0.00	138,299.37	-138,299.37	45,481.37	158,673.28	-113,191.91	512,710.00	30.95%	-22.08%
Total 92 - Loan Expense	0.00	0.00	0.00	16,620.00	16,620.51	-0.51	16,620.00	100.00%	0.00%
Total 93 - Other Expense - Tax Processing	326.06	1,677.24	-1,351.18	1,956.36	2,436.85	-480.49	3,914.35	62.25%	-12.28%
Total 94 - Chromium 6 Expense Reimb	70,223.74	0.00	70,223.74	421,342.44	0.00	421,342.44	843,022.20	0.00%	49.98%
Total 95 - Fair Market Value	0.00	-29,668.09	29,668.09	8,000.00	-31,181.59	39,181.59	8,000.00	-389.77%	489.77%
Total 99 - Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00%
Total 90 - Other Expense	70,549.80	110,308.52	-39,758.72	493,400.17	146,549.05	346,851.12	1,384,266.55	10.59%	25.06%
Total Expense	70,549.80	110,308.52	-39,758.72	493,400.17	146,549.05	346,851.12	1,384,266.55	10.59%	25.06%
Net Non-Operational Income	760,500.93	931,973.39	171,472.46	1,855,237.21	2,742,025.38	886,788.17	3,219,357.72	85.17%	27.55%
Net Income	543,527.49	737,992.56	194,465.07	1,942,770.04	2,721,616.72	778,846.68	2,185,802.92	124.51%	35.63%



Statement of Cash Flows - Phelan Pinon Hills

Phelan Pinon Hills Community Services District

07/01/2023 - 12/31/2023

01 - WATER FUND

Cash Flows From Operating Activities

Total Revenue	5,885,228.91
Total Expense	4,459,944.45
Net Income	1,425,284.46

Adjustments to Net Income

Depr Amort Exp Accts - Depreciation & Amortization Expense Acct	882,825.56
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Net Income After Adjustments	2,308,110.02
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Adjustments to reconcile Net Income to net cash provided by Operating Activities

12010 - Accounts Receivable - Water	-136,689.77
12020 - AR Accounts Receivable	2,947.82
12150 - A/R - Accrual	1,973.29
12610 - Delinquent Accounts to Tax Roll	56,843.94
12630 - Water Availability - WC13	108,955.95
12910 - Accrued Interest Receivable-GF	96,708.56
13010 - Inventory - Water Field Parts	284,191.00
14100 - Prepaid Expense	-116,456.19
14120 - Prepaid - Workers Comp	-40,832.67
14130 - Prepaid Benefit	14,236.53
21100 - Accounts Payable - Trade	900,288.71
21150 - Accounts Payable - Unclaimed	-243.31
22150 - Accrued Interest Payable	241,925.02
22210 - Deferred Revenue	65,766.68
23320 - Customer Deposit - Meter	4,500.00
23330 - Customer Deposit - Maint. Bond	136.07
24410 - Accrued Payroll	84,722.86
24510 - Payroll Tax Payable	-3,605.36
24530 - Retirement W/H Payable	-2,860.82
24540 - Workers Comp Payable	3,580.01
24560 - Retirement 457 W/H Payable	-101.46
24580 - Supplemental Ins Payable	373.40
Net cash provided by Operating Activities	741,749.76

Cash Flows From Investing Activities

16730 - Trucks	-36,897.68
17000 - CIP	-609,520.90
Net cash provided by Investing Activities	-646,418.58

Cash Flows From Financing Activities

29720 - CIEDB Loan 2012	-221,504.65
29740 - Loan Payable Cal Trans	-13,095.87
Net cash provided by Financing Activities	-234,600.52

Net Change in Cash	-139,269.34
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Beginning Cash Balance	12,334,847.66
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Ending Cash Balance	12,195,578.32
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Statement of Cash Flows - Phelan Pinon Hills

07/01/2023 - 12/31/2023

20 - GOV'T GENERAL FUND

Cash Flows From Operating Activities

Total Revenue	227,035.02
Total Expense	<u>-3,747,305.17</u>
Net Income	3,974,340.19
Adjustments to Net Income	
Depr Amort Exp Accts - Depreciation & Amortization Expense Acct	<u>2,575.11</u>
Net Income After Adjustments	3,976,915.30
Adjustments to reconcile Net Income to net cash provided by Operating Activities	
12800 - Other Receivable	<u>-1,054.34</u>
Net cash provided by Operating Activities	3,977,969.64
Net Change in Cash	3,977,969.64
Beginning Cash Balance	-101,321.16
Ending Cash Balance	<u>3,876,648.48</u>

Statement of Cash Flows - Phelan Pinon Hills

07/01/2023 - 12/31/2023

22 - PARKS & RECREATION

Cash Flows From Operating Activities

Total Revenue	131,814.43
Total Expense	341,968.61
Net Income	-210,154.18

Adjustments to Net Income

Depr Amort Exp Accts - Depreciation & Amortization Expense Acct	43,773.53
Net Income After Adjustments	-166,380.65

Adjustments to reconcile Net Income to net cash provided by Operating Activities

12200 - Accounts Receivable - Gov't	1,350.00
21100 - Accounts Payable - Trade	11,178.52
22210 - Deferred Revenue	-855.00
24530 - Retirement W/H Payable	-164.47
24560 - Retirement 457 W/H Payable	2.75
Net cash provided by Operating Activities	-177,892.45

Cash Flows From Investing Activities

17000 - CIP	-20,700.39
Net cash provided by Investing Activities	-20,700.39

Net Change in Cash **-198,592.84**

Beginning Cash Balance **5,521,310.96**

Ending Cash Balance **5,322,718.12**

Statement of Cash Flows - Phelan Pinon Hills

07/01/2023 - 12/31/2023

23 - STREET LIGHTING

Cash Flows From Operating Activities

Total Revenue	420.97
Total Expense	11,822.61
Net Income	-11,401.64
Adjustments to reconcile Net Income to net cash provided by Operating Activities	
21100 - Accounts Payable - Trade	1,690.43
Net cash provided by Operating Activities	-13,092.07
Net Change in Cash	-13,092.07
Beginning Cash Balance	26,645.32
Ending Cash Balance	13,553.25

Statement of Cash Flows - Phelan Pinon Hills

07/01/2023 - 12/31/2023

24 - GOV'T PROPERTY TAX

Cash Flows From Operating Activities

Total Revenue	1,048,016.37
Total Expense	3,548,170.69
Net Income	-2,500,154.32
Adjustments to reconcile Net Income to net cash provided by Operating Activities	
12150 - A/R - Accrual	1,715.27
12740 - Tax Receivable - PPHCSD	-45,279.28
Net cash provided by Operating Activities	-2,456,590.31
Net Change in Cash	-2,456,590.31
Beginning Cash Balance	3,489,332.03
Ending Cash Balance	1,032,741.72

Statement of Cash Flows - Phelan Pinon Hills

07/01/2023 - 12/31/2023

25 - SOLID WASTE

Cash Flows From Operating Activities

Total Revenue	165,831.80
Total Expense	122,129.59
Net Income	43,702.21
Adjustments to reconcile Net Income to net cash provided by Operating Activities	
12200 - Accounts Receivable - Gov't	-21,324.12
21100 - Accounts Payable - Trade	6,131.63
24530 - Retirement W/H Payable	415.52
24560 - Retirement 457 W/H Payable	-1.29
Net cash provided by Operating Activities	58,480.47
Net Change in Cash	58,480.47
Beginning Cash Balance	82,340.86
Ending Cash Balance	140,821.33



Revenue Code - Description	Current Amount	+ 1 Month	+2 Months	+ 3 Months	+ 4 Months	Balance
400 - Payment Agreement Contract	4,892.11	93.41	372.25	166.68	87.14	5,611.59
600 - Misc Charges - Water	8,581.44	8,257.09	5,258.94	1,615.21	2,277.41	25,990.09
600 LIEN - Misc Charges - Water LIEN	0.00	163.52	265.00	208.81	131.89	769.22
996 - Utility Unapplied Credits	52,531.47 CR	5,317.64 CR	636.87 CR	17.82 CR	1,244.82 CR	59,748.62 CR
C-001 - Consumption - Residential	189,724.50	40,535.76	25,844.35	2,130.56	3,188.88	261,424.05
C-001 (WR) - Consumption - Resid (WR)	0.00	6.24	2,709.38	230.50	743.92	3,690.04
C-001 LIEN - Consumption - Residential LIEN	0.00	2,966.48	3,079.89	369.55	656.79	7,072.71
C-002 - Consumption - Commercial	1,729.10	19.44	10.44	0.85	0.00	1,759.83
C-007 - Consumption - Multiple Res	332.92	106.99	0.00	0.00	0.00	439.91
C-009 - Consumption - School	7,027.66	0.00	0.00	0.00	0.00	7,027.66
C-012 - Consumption - Fill Station	1,327.17	1,520.23	4,645.16	0.00	0.00	7,492.56
C-100 - Cutoff	0.00	220.00	195.09	0.00	220.00	635.09
C-100 LIEN - Cutoff LIEN	0.00	0.00	0.00	172.37	0.00	172.37
CHROM 6-001 - Chromium 6 Surcharge	67,705.48	12,659.63	5,854.35	1,731.68	4,116.29	92,067.43
CHROM-001LIEN - Chromium-6 LIEN	0.00	216.00	140.93	118.17	148.97	624.07
M-001 - Meter Charge - Residential	295,482.75	56,424.00	21,038.62	7,045.07	13,953.98	393,944.42
M-001 LIEN - Meter Chrg - Residential LIEN	0.00	3,196.81	2,277.24	1,289.35	1,638.04	8,401.44
M-002 - Meter Charge - Commercial	2,517.45	151.21	38.77	3.57	0.00	2,711.00
M-003 - Meter Charge - Fire	228.72	0.00	0.00	0.00	0.00	228.72
M-007 - Meter Charge - Multiple Res	319.74	149.70	0.00	0.00	0.00	469.44
M-009 - Meter Charge - School	4,152.16	0.00	0.00	0.00	0.00	4,152.16
M-011 - Meter Charges - Construction	1,063.95	0.00	0.00	0.00	0.00	1,063.95
M-012 - Meter Charge - Fill Station	1,691.40	845.70	525.20	0.00	0.00	3,062.30
M-015 - Misc Man Hours Customer Service/Meter	0.00	0.00	845.29	0.00	0.00	845.29
M-016 - Misc Vehicle Charge Customer Service/Meter	0.00	0.00	166.26	0.00	0.00	166.26
P-001 - Penalty	0.00	13,340.80	7,202.80	1,761.80	4,099.75	26,405.15
P-001 LIEN - Penalty LIEN	0.00	338.45	433.26	156.75	206.51	1,134.97
P-002 - Penalty-Adjustment	0.00	68.26	60.07	15.00	0.00	143.33
P-003 - Miscellaneous Charges	0.00	750.00	772.21	172.19	759.73	2,454.13
P-003 LIEN - Miscellaneous Charges LIEN	0.00	0.00	75.00	392.53	0.00	467.53
Revenue Totals:	534,245.08	136,712.08	81,173.63	17,562.82	30,984.48	800,678.09



Open Payable Report

As Of 12/31/2023

Summarized by Payable Account

Payable Number	Description	Post Date	Payable Amount	Discount Amount	Shipping Amount	Tax Amount	Net Amount
Vendor: AVCOM 32124	AVCOM Services Inc.						
	Answering Svc. - Dec.	12/31/2023	70.00	0.00	0.00	0.00	70.00
	Distributions						
	Account Number	Account Name	Project Account Key	Distribution Amount			
	01-0-1-53150	Outside Service		70.00			
					Payable Count: (1)		70.00
Vendor: CIN UNI 121123	Cintas Corporation						
	Early Pmt Discount	12/11/2023	-2.80	0.00	0.00	0.00	-2.80
	Distributions						
	Account Number	Account Name	Project Account Key	Distribution Amount			
	01-1-1-54680	Uniforms		-2.80			
123123	Uniform Rental Svcs. - Dec.	12/31/2023	297.65	0.00	0.00	0.00	297.65
	Distributions						
	Account Number	Account Name	Project Account Key	Distribution Amount			
	01-1-1-54680	Uniforms		257.21			
	22-2-1-54680	Uniforms		40.44			
					Payable Count: (2)		294.85
Vendor: CED 9085-1043554	Consolidated Electrical Distributors Inc						
	Well #15 - Electrical Parts	12/31/2023	195.03	0.00	0.00	17.07	212.10
	Distributions						
	Account Number	Account Name	Project Account Key	Distribution Amount			
	01-0-0-17000	CIP Enterprise Funds	C0095 OUTSIDE SVCS	212.10			
9085-1043645	Well #15 - Electrical Parts	12/31/2023	82.36	0.00	0.00	7.21	89.57
	Distributions						
	Account Number	Account Name	Project Account Key	Distribution Amount			
	01-0-0-17000	CIP Enterprise Funds	C0095 OUTSIDE SVCS	89.57			
					Payable Count: (2)		301.67
Vendor: CPS HR 11881	CPS HR Consulting						
	HR Consulting Svcs. 10/6 - 12/31	12/31/2023	887.50	0.00	0.00	0.00	887.50
	Distributions						
	Account Number	Account Name	Project Account Key	Distribution Amount			
	01-0-1-53150	Outside Service		887.50			
					Payable Count: (1)		887.50
Vendor: DEBPHI 123123	Deborah Jeanne Philips						
	Dec. Mileage - Board, Legislative & Solid Waste	12/31/2023	19.65	0.00	0.00	0.00	19.65
	Distributions						
	Account Number	Account Name	Project Account Key	Distribution Amount			
	01-0-1-52210	Board Exp - Auto Expense		-6.55			
	01-0-1-52219	Board - Auto Expense/Philips		19.65			
	25-5-1-52210	Board Exp - Auto Expense		6.55			
					Payable Count: (1)		19.65
Vendor: FBC-Aimee 123123	First Bank Card -Aimee						
	FBC Statement - Dec.	12/31/2023	158.96	0.00	0.00	0.00	158.96
	Distributions						
	Account Number	Account Name	Project Account Key	Distribution Amount			
	01-0-1-54530	Office Supplies		74.65			
	01-0-1-54530	Office Supplies		84.31			
					Payable Count: (1)		158.96
Vendor: FBC-CHRIS	First Bank Card						
					Payable Count: (1)		1,461.14

Open Payable Report

As Of 12/31/2023

Payable Number	Description	Post Date	Payable Amount	Discount Amount	Shipping Amount	Tax Amount	Net Amount
123123	FBC Statement - Dec.	12/31/2023	1,461.14	0.00	0.00	0.00	1,461.14

Distributions

Account Number	Account Name	Project Account Key	Distribution Amount
01-0-0-17000	CIP Enterprise Funds	C0095 OUTSIDE SVCS	267.53
01-0-0-17000	CIP Enterprise Funds	C0095 OUTSIDE SVCS	33.09
01-1-1-53170	Software Support		-239.88
01-1-2-54500	Operating Supplies		147.32
01-1-2-54620	Repair & Maintenance		117.52
01-1-2-54620	Repair & Maintenance		66.36
01-1-2-54620	Repair & Maintenance		129.67
01-1-3-54500	Operating Supplies		404.03
01-1-6-54500	Operating Supplies		37.66
01-1-6-54620	Repair & Maintenance		64.26
01-1-6-54620	Repair & Maintenance		433.58

Vendor:	First Bank Card	Post Date	Payable Amount	Discount Amount	Shipping Amount	Tax Amount	Net Amount
FBC-SEAN	FBC Statement - Dec.	12/31/2023	534.14	0.00	0.00	0.00	534.14
123123							

Distributions

Account Number	Account Name	Project Account Key	Distribution Amount
01-1-1-54260	Education & Training		300.00
01-1-1-54260	Education & Training		100.00
01-1-1-54440	Meeting, Seminar & Supplies		134.14

Vendor:	First Bank Card	Post Date	Payable Amount	Discount Amount	Shipping Amount	Tax Amount	Net Amount
FBC-DEBORAH	FBC Statement - Dec.	12/31/2023	1,530.06	0.00	0.00	0.00	1,530.06
123123							

Distributions

Account Number	Account Name	Project Account Key	Distribution Amount
01-0-1-52219	Board - Auto Expense/Philips		23.11
01-0-1-52219	Board - Auto Expense/Philips		24.55
01-0-1-52229	Board - Meals,Travel Expenses/Philips		18.71
01-0-1-52229	Board - Meals,Travel Expenses/Philips		19.36
01-0-1-52229	Board - Meals,Travel Expenses/Philips		21.31
01-0-1-52229	Board - Meals,Travel Expenses/Philips		11.80
01-0-1-52229	Board - Meals,Travel Expenses/Philips		21.19
01-0-1-52229	Board - Meals,Travel Expenses/Philips		22.12
01-0-1-52229	Board - Meals,Travel Expenses/Philips		19.68
01-0-1-52229	Board - Meals,Travel Expenses/Philips		19.99
01-0-1-52229	Board - Meals,Travel Expenses/Philips		29.91
01-0-1-52229	Board - Meals,Travel Expenses/Philips		57.48
01-0-1-52229	Board - Meals,Travel Expenses/Philips		65.70
01-0-1-52229	Board - Meals,Travel Expenses/Philips		6.47
01-0-1-52229	Board - Meals,Travel Expenses/Philips		448.68
01-0-1-52239	Board - Education,Training/Philips		720.00

Vendor:	First Bank Card	Post Date	Payable Amount	Discount Amount	Shipping Amount	Tax Amount	Net Amount
FBC-DON	FBC Statement - Dec.	12/31/2023	2,336.15	0.00	0.00	0.00	2,336.15
123123							

Distributions

Account Number	Account Name	Project Account Key	Distribution Amount
01-0-1-52225	Board - Meals,Travel Expenses/Roberts		475.26
01-0-1-54140	Auto Expense		176.92
01-0-1-54140	Auto Expense		195.75
01-0-1-54440	Meeting, Seminar & Supplies		40.75
01-0-1-54440	Meeting, Seminar & Supplies		43.50
01-0-1-54470	Travel Expense		28.79
01-0-1-54470	Travel Expense		59.10
01-0-1-54470	Travel Expense		45.87
01-0-1-54470	Travel Expense		119.13
01-0-1-54470	Travel Expense		621.08
01-0-1-54470	Travel Expense		54.06

Open Payable Report

As Of 12/31/2023

Payable Number	Description	Post Date	Payable Amount	Discount Amount	Shipping Amount	Tax Amount	Net Amount
01-0-1-54470	Travel Expense				90.21		
01-0-1-54470	Travel Expense				60.00		
01-0-1-54470	Travel Expense				325.73		

Vendor: [FBC-GEORGE](#) First Bank Card Payable Count: (1) 1,232.70
[123123](#) FBC Statement - Dec. 12/31/2023 1,232.70 0.00 0.00 0.00 1,232.70

Distributions

Account Number	Account Name	Project Account Key	Distribution Amount
01-0-1-54440	Meeting, Seminar & Supplies		63.44
01-0-1-54440	Meeting, Seminar & Supplies		67.60
01-0-1-54440	Meeting, Seminar & Supplies		38.29
01-0-1-54530	Office Supplies		12.91
01-1-1-54440	Meeting, Seminar & Supplies		180.00
01-1-2-53170	Software Support		0.99
01-1-8-54410	Fuel Costs		92.63
01-1-8-54410	Fuel Costs		92.22
01-7-7-54260	Education & Training		550.00
01-7-7-54440	Meeting, Seminar & Supplies		90.00
01-7-7-54470	Travel Expense		8.34
01-7-7-54470	Travel Expense		18.14
01-7-7-54470	Travel Expense		18.14

Vendor: [FBC-HEATHER](#) First Bank Card Payable Count: (1) 712.70
[123123](#) FBC Statement - Dec. 12/31/2023 712.70 0.00 0.00 0.00 712.70

Distributions

Account Number	Account Name	Project Account Key	Distribution Amount
01-0-1-54530	Office Supplies		315.65
01-0-1-54530	Office Supplies		31.23
01-0-1-54530	Office Supplies		194.32
01-0-1-54530	Office Supplies		55.69
01-0-1-54530	Office Supplies		108.82
01-1-6-54860	Postage & Mailing		6.99

Vendor: [FBC-JENNIFER](#) First Bank Card Payable Count: (1) 1,165.04
[123123](#) FBC Statement - Dec. 12/31/2023 1,165.04 0.00 0.00 0.00 1,165.04

Distributions

Account Number	Account Name	Project Account Key	Distribution Amount
01-0-0-17000	CIP Enterprise Funds	C0095 OUTSIDE SVCS	36.07
01-0-1-53170	Software Support		100.00
01-0-1-53170	Software Support		263.89
01-0-1-54260	Education & Training		61.59
01-0-1-54440	Meeting, Seminar & Supplies		45.00
01-0-1-54530	Office Supplies		159.75
01-0-1-54530	Office Supplies		45.35
01-1-1-53170	Software Support		47.98
01-1-1-53170	Software Support		23.22
01-1-1-54500	Operating Supplies		51.00
01-1-6-53170	Software Support		120.00
01-1-8-54710	Vehicle Maintenance		163.21
01-7-7-53170	Software Support		47.98

Vendor: [FBC-KIM](#) First Bank Card Payable Count: (1) 1,433.80
[123123](#) FBC Statement - Dec. 12/31/2023 1,433.80 0.00 0.00 0.00 1,433.80

Distributions

Account Number	Account Name	Project Account Key	Distribution Amount
01-0-1-53170	Software Support		156.89
01-0-1-53170	Software Support		54.99
01-0-1-53170	Software Support		14.00

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Payable Number	Description	Post Date	Payable Amount	Discount Amount	Shipping Amount	Tax Amount	Net Amount
01-0-1-54260	Education & Training				20.00		
01-0-1-54260	Education & Training			460.00			
01-0-1-54530	Office Supplies			128.21			
01-0-1-54530	Office Supplies			155.84			
01-0-1-54530	Office Supplies			46.38			
01-0-1-54530	Office Supplies			24.19			
01-0-1-54680	Uniforms			373.30			

Vendor: [FBC-LORI](#) **First Bank Card** Payable Count: (1) **515.00**
[123123](#) FBC Statement - Dec. 12/31/2023 515.00 0.00 0.00 0.00 515.00

Distributions

Account Number	Account Name	Project Account Key	Distribution Amount
01-0-1-54230	Dues & Subscriptions		55.00
01-0-1-54530	Office Supplies		460.00

Vendor: [FBC-STEVE](#) **First Bank Card** Payable Count: (1) **1,599.33**
[123123](#) FBC Statement - Dec. 12/31/2023 1,599.33 0.00 0.00 0.00 1,599.33

Distributions

Account Number	Account Name	Project Account Key	Distribution Amount
01-0-1-54440	Meeting, Seminar & Supplies		133.83
22-2-1-54680	Uniforms		204.67
22-2-1-54680	Uniforms		113.37
22-2-2-54620	Repair & Maintenance		74.56
22-2-2-54620	Repair & Maintenance		88.32
22-2-2-54620	Repair & Maintenance		260.81
22-2-2-54800	Programs (Park & Rec)		465.21
22-2-2-54800	Programs (Park & Rec)		258.56

Vendor: [GEOMON](#) **GEO-Monitor, Inc.** Payable Count: (1) **3,784.00**
[27694](#) Routine & Well #17 Samples 12/31/2023 3,784.00 0.00 0.00 0.00 3,784.00

Distributions

Account Number	Account Name	Project Account Key	Distribution Amount
01-0-0-17000	CIP Enterprise Funds	C0072 OUTSIDE SVCS	2,600.00
01-1-4-53140	Laboratory Analysis		1,184.00

Vendor: [USABB](#) **HD Supply, Inc.** Payable Count: (1) **1,143.71**
[INV00229158](#) (2) Chlorine Injectors 12/31/2023 1,039.90 0.00 21.55 82.26 1,143.71

Distributions

Account Number	Account Name	Project Account Key	Distribution Amount
01-1-3-54620	Repair & Maintenance		1,143.71

Vendor: [INFOSE](#) **Infosend Inc** Payable Count: (1) **5,449.60**
[253925](#) Postage & Printing - Dec. 12/31/2023 5,449.60 0.00 0.00 0.00 5,449.60

Distributions

Account Number	Account Name	Project Account Key	Distribution Amount
01-1-6-54860	Postage & Mailing		2,943.54
01-1-6-54890	Printing		1,037.42
01-1-9-54800	Programs (Wtr Conservation, etc)		781.19
25-5-1-54800	Programs (Solid Waste)		687.45

Vendor: [LOWES](#) **Lowe's Credit** Payable Count: (3) **1,622.47**
[698882419](#) Parts to Repair Backhoe Trailer #100 11/30/2023 248.83 0.00 0.00 21.77 270.60

Distributions

Account Number	Account Name	Project Account Key	Distribution Amount
01-1-8-54710	Vehicle Maintenance		270.60

[969599505](#) Well 15- Material for Chlorine/Electrical Room 11/30/2023 644.44 0.00 0.00 0.00 644.44

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Payable Number	Description	Post Date	Payable Amount	Discount Amount	Shipping Amount	Tax Amount	Net Amount
Vendor: ANDTRU Mills Hardware							
123123	Dec. Statement	12/31/2023	749.27	0.00	0.00	58.05	807.32
Payable Count: (1)							
807.32							
Distributions							
Account Number	Account Name	Project Account Key	Distribution Amount				
01-0-0-17000	CIP Enterprise Funds	C0095 OUTSIDE SVCS	644.44				
01-0-0-17000	CIP Enterprise Funds	C0095 OUTSIDE SVCS	583.84				
01-1-2-54620	Repair & Maintenance		123.59				
Vendor: MWA-ALTO Mojave Basin Area Watermaster							
44864	1st. Qtr. Admin/Bio Fees	12/31/2023	3.44	0.00	0.00	0.00	3.44
Payable Count: (1)							
3.44							
Distributions							
Account Number	Account Name	Project Account Key	Distribution Amount				
01-1-3-50010	MWA/AVW Admin. & Bio Fee		3.44				
Vendor: MWA-OESTE Mojave Basin Area							
44863	1st. Qtr. Admin/Bio Fees	12/31/2023	3,515.24	0.00	0.00	0.00	3,515.24
Payable Count: (1)							
3,515.24							
Distributions							
Account Number	Account Name	Project Account Key	Distribution Amount				
01-1-3-50010	MWA/AVW Admin. & Bio Fee		3,515.24				
Vendor: NAPA NAPA Auto Parts							
605858	Trk #26 Wiper Blades	12/31/2023	23.98	0.00	0.00	1.86	25.84
Payable Count: (1)							
25.84							
Distributions							
Account Number	Account Name	Project Account Key	Distribution Amount				
22-2-8-54710	Vehicle Maintenance		25.84				
Vendor: REBEL Rebel Oil Company, Inc.							
3050369	Fuel - 550 Gl.	12/31/2023	2,463.80	0.00	0.00	0.00	2,463.80
Payable Count: (1)							
2,463.80							
Distributions							
Account Number	Account Name	Project Account Key	Distribution Amount				
01-1-8-54410	Fuel Costs		2,463.80				
Vendor: SCE 3886-3219 Southern California Edison							
122823	Electricity - Well #17 11/29 - 12/28	12/28/2023	456.36	0.00	0.00	0.00	456.36
Payable Count: (1)							
456.36							

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Payable Number	Description	Post Date	Payable Amount	Discount Amount	Shipping Amount	Tax Amount	Net Amount
Distributions							
Account Number	Account Name	Project Account Key	Distribution Amount				
01-1-3-58110	Utilities		456.36				
Vendor: SCE 1613-6373	Southern California Edison				Payable Count: (1)		18.28
123123	Electricity - R/R Crossings 12/1 - 12/31	12/31/2023	18.28	0.00	0.00	0.00	18.28
Distributions							
Account Number	Account Name	Project Account Key	Distribution Amount				
23-0-2-58210	Utilities - Street Lights		18.28				
Vendor: SCE 3752-2894	Southern California Edison				Payable Count: (1)		381.90
122823	Electricity - N. Dairy Mobile 11/29 - 12/28	12/28/2023	381.90	0.00	0.00	0.00	381.90
Distributions							
Account Number	Account Name	Project Account Key	Distribution Amount				
01-1-3-58110	Utilities		381.90				
Vendor: SCE 4241-7012	Southern California Edison				Payable Count: (1)		483.21
122823	Electricity - S. Dairy Mobile 11/29 - 12/28	12/28/2023	483.21	0.00	0.00	0.00	483.21
Distributions							
Account Number	Account Name	Project Account Key	Distribution Amount				
01-1-3-58110	Utilities		483.21				
Vendor: SCE 4490-1265	Southern California Edison				Payable Count: (1)		18.28
123123	Electricity - P.H. Fire Station 12/1 - 12/31	12/31/2023	18.28	0.00	0.00	0.00	18.28
Distributions							
Account Number	Account Name	Project Account Key	Distribution Amount				
22-0-2-58110	Utilities		18.28				
Vendor: SCE 5917-6455	Southern California Edison				Payable Count: (1)		28.56
123123	Electricity - Phelan Park St. Lights 12/1 - 12/31	12/31/2023	28.56	0.00	0.00	0.00	28.56
Distributions							
Account Number	Account Name	Project Account Key	Distribution Amount				
22-2-2-58110	Utilities		28.56				
Vendor: SCE 7441-5755	Southern California Edison				Payable Count: (1)		271.08
010224	Electricity - Pinon Hills CC 12/1 - 1/2	12/31/2023	271.08	0.00	0.00	0.00	271.08
Distributions							
Account Number	Account Name	Project Account Key	Distribution Amount				
22-0-2-58110	Utilities		271.08				
Vendor: SCE 7695-0442	Southern California Edison				Payable Count: (1)		25.96
122923	Electricity - Fill Station 11/29 - 12/28	12/28/2023	25.96	0.00	0.00	0.00	25.96
Distributions							
Account Number	Account Name	Project Account Key	Distribution Amount				
01-0-2-58110	Utilities		25.96				
Vendor: SCE 8092-3468	Southern California Edison				Payable Count: (1)		659.11
122823	Electricity - NW Dairy MOBILE 11/29 - 12/28	12/28/2023	659.11	0.00	0.00	0.00	659.11
Distributions							
Account Number	Account Name	Project Account Key	Distribution Amount				
01-1-3-58110	Utilities		659.11				
Vendor: SCE 8362-7804	Southern California Edison				Payable Count: (1)		630.43
113023	Electricity - Solar Meter 11/1 - 11/30	11/30/2023	630.43	0.00	0.00	0.00	630.43
Distributions							
Account Number	Account Name	Project Account Key	Distribution Amount				
01-1-3-58110	Utilities		670.19				

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Payable Number	Description	Post Date	Payable Amount	Discount Amount	Shipping Amount	Tax Amount	Net Amount
	01-1-3-58115 Utilities - Solar Credits				-39.76		
Vendor: SCE 9515-2666	Southern California Edison					Payable Count: (2)	74,748.63
113023-2	Electricity-Wells, Boosters, Tanks & Solar CR Nov	11/30/2023	63,989.89	0.00	0.00	0.00	63,989.89
	Distributions						
	Account Number	Account Name	Project Account Key	Distribution Amount			
	01-1-3-58110	Utilities		85,438.55			
	01-1-3-58115	Utilities - Solar Credits		-21,448.66			
123123	Electricity-Wells, Boosters, Tanks, St Light, CR	12/31/2023	10,758.74	0.00	0.00	0.00	10,758.74
	Distributions						
	Account Number	Account Name	Project Account Key	Distribution Amount			
	01-1-3-58110	Utilities		10,014.76			
	01-1-3-58115	Utilities - Solar Credits		-928.20			
	23-3-2-58210	Utilities - Street Lights		1,672.18			
Vendor: SCE 9587-0653	Southern California Edison					Payable Count: (2)	2,610.51
112423	Electricity - Office & Solar Credits 10/24 - 11/24	11/24/2023	1,169.05	0.00	0.00	0.00	1,169.05
	Distributions						
	Account Number	Account Name	Project Account Key	Distribution Amount			
	01-0-1-58110	Utilities		1,401.10			
	01-1-3-58115	Utilities - Solar Credits		-232.05			
122523	Electricity - Office 11/25 - 12/25	12/25/2023	1,441.46	0.00	0.00	0.00	1,441.46
	Distributions						
	Account Number	Account Name	Project Account Key	Distribution Amount			
	01-0-1-58110	Utilities		1,441.46			
Vendor: TESCON	Tesco Controls, Inc					Payable Count: (1)	555.00
0081844	Scada - Former Employees Removed, Add New Employee	12/31/2023	555.00	0.00	0.00	0.00	555.00
	Distributions						
	Account Number	Account Name	Project Account Key	Distribution Amount			
	01-1-2-54620	Repair & Maintenance		555.00			
Vendor: THEGAS	The Gas Company					Payable Count: (2)	267.11
121923-4084	Gas - Phelan Sr. Ctr. 11/20 - 12/19	12/29/2023	124.52	0.00	0.00	0.00	124.52
	Distributions						
	Account Number	Account Name	Project Account Key	Distribution Amount			
	22-0-2-58110	Utilities		124.52			
121923-4585	Gas - Phelan CC 11/20 - 12/19	12/29/2023	142.59	0.00	0.00	0.00	142.59
	Distributions						
	Account Number	Account Name	Project Account Key	Distribution Amount			
	22-0-2-58110	Utilities		142.59			
Vendor: TOP OPT	Top Option Pest Control					Payable Count: (2)	173.00
3743	Pest Control - Oasis Dec.	12/31/2023	98.00	0.00	0.00	0.00	98.00
	Distributions						
	Account Number	Account Name	Project Account Key	Distribution Amount			
	01-1-1-53150	Outside Service		98.00			
3744	Pest Control - CSD Dec.	12/31/2023	75.00	0.00	0.00	0.00	75.00
	Distributions						
	Account Number	Account Name	Project Account Key	Distribution Amount			
	01-0-1-53150	Outside Service		75.00			
Vendor: TYLTEC	Tyler Technologies, Inc					Payable Count: (2)	12,197.35
025-450667	UB Insite Transaction Fees 10/1 - 12/31	12/31/2023	11,933.75	0.00	0.00	0.00	11,933.75

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Payable Number	Description	Post Date	Payable Amount	Discount Amount	Shipping Amount	Tax Amount	Net Amount
Distributions							
Account Number	Account Name	Project Account Key	Distribution Amount				
01-1-6-53170	Software Support		11,933.75				
025-451121	Smart Meter Notifications 10/1 - 12/31	12/31/2023	263.60	0.00	0.00	0.00	263.60
Distributions							
Account Number	Account Name	Project Account Key	Distribution Amount				
01-1-6-53170	Software Support		263.60				
Vendor: VER AIR	Verizon Wireless					Payable Count: (1)	1,329.39
9953181851	Phones - Jet Packs, Tablets, On-Call Dec.	12/31/2023	1,329.39	0.00	0.00	0.00	1,329.39
Distributions							
Account Number	Account Name	Project Account Key	Distribution Amount				
01-1-1-58010	Telephone		1,329.39				
Vendor: WALL GROUP	Wallace Group, a California Corporation					Payable Count: (2)	3,528.75
60904	Phelan Park Expansion - 65% Design Oct.	10/31/2023	1,413.75	0.00	0.00	0.00	1,413.75
Distributions							
Account Number	Account Name	Project Account Key	Distribution Amount				
22-2-0-17000	CIP - Parks & Rec	C0078 OUTSIDE SVCS	1,413.75				
61179	Phelan Park Expansion - 65% Design Nov.	11/30/2023	2,115.00	0.00	0.00	0.00	2,115.00
Distributions							
Account Number	Account Name	Project Account Key	Distribution Amount				
22-2-0-17000	CIP - Parks & Rec	C0078 OUTSIDE SVCS	2,115.00				
			Payable Account 99-0-0-21100	Payable Count: (53)	Total:	131,451.02	

Payable Account Summary

Account	Count	Amount
99-0-0-21100 - Accounts Payable - Trade	53	131,451.02
Report Total:	53	131,451.02

Payable Fund Summary

Fund	Count	Amount
99 - POOLED CASH	53	131,451.02
Report Total:	53	131,451.02



Project Number	Project Name	Group	Type	Status	
C0002	ADMINISTRATIVE PROPERTY	Administration	Construction in Pro	Active	
Expenses					
Account Key	Account Name	Category	Beginning Balance	Activity	Ending Balance
C0002 ARCHITECT	C0002 ARCHITECT	OUTSIDE SERVICES	0.00	204,970.95	204,970.95
C0002 BUILD	C0002 MODULAR BUILDING	Buildings	0.00	93.34	93.34
C0002 COUNTY FEES	C0002 COUNTY FEES	Fees/License	0.00	93,733.95	93,733.95
C0002 IMPROVE	C0002 IMPROVEMENTS	OUTSIDE SERVICES	0.00	66,751.26	66,751.26
C0002 LABOR	C0002 LABOR - ADMIN BUILDING	LABOR	0.00	11,438.80	11,438.80
C0002 OUTSIDE SVCS	C0002 OUTSIDE SVCS	OUTSIDE SERVICES	0.00	374,463.38	374,463.38
		Total Expenses:	0.00	751,451.68	751,451.68
		Total C0002:	0.00	751,451.68	751,451.68
C0072	Mountain Well	Wells	Construction in Pro	Active	
Expenses					
Account Key	Account Name	Category	Beginning Balance	Activity	Ending Balance
C0072 LABOR	C0072 LABOR - MOUNTAIN WELL	LABOR	0.00	392.72	392.72
C0072 OUTSIDE SVCS	C0072 OUTSIDE SVCS - MOUNTAIN W	OUTSIDE SERVICES	0.00	118,352.48	118,352.48
		Total Expenses:	0.00	118,745.20	118,745.20
		Total C0072:	0.00	118,745.20	118,745.20
C0078	Phelan Park Expansion	Parks	Construction in Pro	Active	
Expenses					
Account Key	Account Name	Category	Beginning Balance	Activity	Ending Balance
C0078 COUNTY FEES	C0078 COUNTY FEES - Phelan Park Ex	Fees/License	0.00	22,761.58	22,761.58
C0078 ENGINEERING	C0078 ENGINEERING - Phelan Park Ex	ENGINEERING	0.00	70.44	70.44
C0078 LABOR	C0078 LABOR - Phelan Park Expansio	LABOR	0.00	8,814.68	8,814.68
C0078 OUTSIDE SVCS	C0078 OUTSIDE SVCS - Phelan Park Ex	OUTSIDE SERVICES	0.00	530,621.01	530,621.01
		Total Expenses:	0.00	562,267.71	562,267.71
		Total C0078:	0.00	562,267.71	562,267.71
C0084	Meters & Installation	Water Distribution	Construction in Pro	Active	
Expenses					
Account Key	Account Name	Category	Beginning Balance	Activity	Ending Balance
C0084 OUTSIDE SVCS	C0084 OUTSIDE SVCS - Meters & Inst	OUTSIDE SERVICES	0.00	3,211.35	3,211.35
		Total Expenses:	0.00	3,211.35	3,211.35
		Total C0084:	0.00	3,211.35	3,211.35
C0095	Well 15 - Development / Chromi	Wells	Construction in Pro	Active	
Expenses					
Account Key	Account Name	Category	Beginning Balance	Activity	Ending Balance
C0095 LABOR	C0095 LABOR - WELL 15 Dvlpmnt/Chr	LABOR	0.00	62,450.51	62,450.51
C0095 OUTSIDE SVCS	C0095 OUTSIDE SVCS - WELL 15 Dvlp	OUTSIDE SERVICES	0.00	2,172,904.62	2,172,904.62
		Total Expenses:	0.00	2,235,355.13	2,235,355.13
		Total C0095:	0.00	2,235,355.13	2,235,355.13
C0109	Reservoir 6A - 2	Tanks	Construction in Pro	Active	
Expenses					
Account Key	Account Name	Category	Beginning Balance	Activity	Ending Balance
C0109 LABOR	C0109 LABOR - Reservoir 6A - 2 (Chro	LABOR	0.00	568.66	568.66
C0109 LAND	C0109 LAND - Reservoir 6A - 2 (Chro	Land	0.00	25,000.00	25,000.00
C0109 OUTSIDE SVCS	C0109 OUTSIDE SVCS - Reservoir 6A -	OUTSIDE SERVICES	0.00	38,002.00	38,002.00
		Total Expenses:	0.00	63,570.66	63,570.66
		Total C0109:	0.00	63,570.66	63,570.66

Summary

Project Summary

Project Number	Project Name	Beginning Balance	Activity	Ending Balance
C0002	ADMINISTRATIVE PROPERTY	0.00	751,451.68	751,451.68
C0072	Mountain Well	0.00	118,745.20	118,745.20
C0078	Phelan Park Expansion	0.00	562,267.71	562,267.71
C0084	Meters & Installation	0.00	3,211.35	3,211.35
C0095	Well 15 - Development / Chromium	0.00	2,235,355.13	2,235,355.13
C0109	Reservoir 6A - 2	0.00	63,570.66	63,570.66
Project Totals:		0.00	3,734,601.73	3,734,601.73

Group Summary

Group	Beginning Balance	Activity	Ending Balance
Adminstration	0.00	751,451.68	751,451.68
Parks	0.00	562,267.71	562,267.71
Tanks	0.00	63,570.66	63,570.66
Water Distribution	0.00	3,211.35	3,211.35
Wells	0.00	2,354,100.33	2,354,100.33
Group Totals:	0.00	3,734,601.73	3,734,601.73

Type Summary

Type	Beginning Balance	Activity	Ending Balance
Construction in Progress	0.00	3,734,601.73	3,734,601.73
Type Totals:	0.00	3,734,601.73	3,734,601.73

Solar Project and Credits Report

Cost of Solar Project:	\$ 5,239,947.43		<u>Running Balance</u>	\$ 5,239,947.43
Loan Received:	\$ 5,000,000.00			\$ (5,000,000.00)
Loan Payments:	Principal	Interest	Total	
Total Pmts 01/2015-06/2020	\$ 1,028,328.62	\$ 909,777.59	\$ 1,938,106.21	Y0-5
7/13/2020	12 \$ 104,326.80	\$ 74,468.84	\$ 178,795.64	Y6
1/4/2021	\$ 106,282.93	\$ 72,512.71	\$ 178,795.64	Y6
8/13/2021	\$ 147,792.30	\$ 21,689.89	\$ 169,482.19	Y7
2/1/2022	\$ 118,069.37	\$ 51,412.82	\$ 169,482.19	Y7
8/1/2022	\$ 119,722.34	\$ 49,759.85	\$ 169,482.19	Y8
2/1/2023	\$ 121,398.45	\$ 48,083.74	\$ 169,482.19	Y8
8/1/2023	\$ 123,098.03	\$ 46,384.16	\$ 169,482.19	Y9
2/1/2024	\$ -	\$ -	\$ -	Y9
Total	\$ 1,869,018.84	\$ 1,274,089.60	\$ 3,143,108.44	\$ 3,143,108.44
OM Expenses				\$ 344,700.12
		Total Cost to Date		\$ 3,727,755.99

Edison Credits Received:

	Credits Received				
2015/2016	\$ 102,606.65	Total Received for Fiscal Year		Y1	\$ 102,606.65
2016/2017	\$ 363,593.28	Total Received for Fiscal Year		Y2	\$ 363,593.28
2017/2018	\$ 370,590.41	Total Received for Fiscal Year		Y3	\$ 370,590.41
2018/2019	\$ 128,314.95	Total Received for Fiscal Year		Y4	\$ 128,314.95
2019/2020	\$ 1,075,131.15	Total Received for Fiscal Year	Incl Settlement	Y5	\$ 1,075,131.15
2020/2021	\$ 119,612.47	Total Received for Fiscal Year		Y6	\$ 119,612.47
2021/2022	\$ 1,237,537.38	Total Received for Fiscal Year	Incl PY Credits	Y7	\$ 1,237,537.38
2022/2023	\$ 789,567.65	Total Received for Fiscal Year		Y8	\$ 1,829,979.49
July - Sept 2023	\$ 372,745.94			Y9	
Oct - Dec 2023	\$ 52,443.73			Y9	
Jan - Mar 2024				Y9	
Apr - Jun 2024				Y9	
2023/2024	\$ 425,189.67	Total Received for Fiscal Year		Y9	\$ 789,567.65
Total	\$ 4,612,143.61	Total Credits to Date			\$ (4,612,143.61)
					6,016,933.43
		Total Cost (Income)			\$ (884,387.62)

Scenario 09/11/2014 Revised 09/2021

Terms Turnkey System, Annual O&M, 10 Year Performance Guarantee @90%

Terms 25 Year Module Warranty, 10 Year Balance of System Warranty, 30 Year Lifecycle

Financing Structure 20 Yr Loan Term, 3.75% interest rate, Origination Fees and Financing Fees May Apply, \$0 Annual Payment Escalation

Estimate

EOY	Utility Savings	REC Sales	O&M Expense	Pre-COD	Net Operating Savings	Principal Balance	Principal Payment	Interest Payment	Total Debt Service	DSCR	Net Cash Flow
Y0	\$ -	\$ -	\$ -	\$ (198,821)	\$ (198,821)	\$ 5,000,000					\$ (198,821)
2016	\$ 416,265	\$ 3,484	\$ (35,575)	\$ -	\$ 384,174	\$ 4,828,314	\$ (171,686)	\$ (185,905)	\$ (357,591)	107%	\$ 26,583
2017	\$ 431,833	\$ 3,623	\$ (35,575)	\$ -	\$ 399,882	\$ 4,650,130	\$ (178,184)	\$ (179,407)	\$ (357,591)	112%	\$ 42,290
2018	\$ 447,984	\$ 3,768	\$ (35,575)	\$ -	\$ 416,177	\$ 4,465,201	\$ (184,929)	\$ (172,662)	\$ (357,591)	116%	\$ 58,586
2019	\$ 464,738	\$ 3,919	\$ (35,575)	\$ -	\$ 433,082	\$ 4,273,272	\$ (191,929)	\$ (165,662)	\$ (357,591)	121%	\$ 75,491
2020	\$ 482,119	\$ 4,076	\$ (35,575)	\$ -	\$ 450,620	\$ 4,074,078	\$ (199,194)	\$ (158,398)	\$ (357,591)	126%	\$ 93,029
2021	\$ 500,151	\$ 4,239	\$ (35,575)	\$ -	\$ 468,815	\$ 3,867,345	\$ (206,733)	\$ (150,858)	\$ (357,591)	131%	\$ 111,223
2022	\$ 318,788	\$ 12,212	\$ (35,575)	\$ -	\$ 295,425	\$ 3,652,786	\$ (214,559)	\$ (143,033)	\$ (357,591)	136%	\$ (62,166)
2023	\$ 333,890	\$ 12,790	\$ (35,575)	\$ -	\$ 311,105	\$ 3,430,106	\$ (222,680)	\$ (134,911)	\$ (357,591)	142%	\$ (46,486)
2024	\$ 349,708	\$ 13,396	\$ (35,575)	\$ -	\$ 327,529	\$ 3,198,997	\$ (231,109)	\$ (126,482)	\$ (357,591)	148%	\$ (30,062)
2025	\$ 366,276	\$ 14,031	\$ (35,575)	\$ -	\$ 344,732	\$ 2,959,140	\$ (239,857)	\$ (117,735)	\$ (357,591)	153%	\$ (12,859)
2026	\$ 383,628	\$ 14,696	\$ (31,946)	\$ -	\$ 366,378	\$ 2,710,205	\$ (248,936)	\$ (108,656)	\$ (357,591)	161%	\$ 8,786
2027	\$ 401,803	\$ 15,392	\$ (32,905)	\$ -	\$ 384,290	\$ 2,451,847	\$ (258,358)	\$ (99,233)	\$ (357,591)	167%	\$ 26,699
2028	\$ 420,838	\$ 16,121	\$ (33,892)	\$ -	\$ 403,067	\$ 2,183,709	\$ (268,137)	\$ (89,454)	\$ (357,591)	173%	\$ 45,476
2029	\$ 440,775	\$ 16,885	\$ (34,909)	\$ -	\$ 422,751	\$ 1,905,422	\$ (278,287)	\$ (79,304)	\$ (357,591)	179%	\$ 65,160
2030	\$ 461,657	\$ 17,685	\$ (167,208)	\$ -	\$ 312,134	\$ 1,616,602	\$ (288,820)	\$ (68,771)	\$ (357,591)	150%	\$ (45,457)
2031	\$ 483,528	\$ 18,522	\$ (37,035)	\$ -	\$ 465,015	\$ 1,316,849	\$ (299,753)	\$ (57,838)	\$ (357,591)	193%	\$ 107,424
2032	\$ 506,435	\$ 19,400	\$ (38,146)	\$ -	\$ 487,689	\$ 1,005,750	\$ (311,099)	\$ (46,492)	\$ (357,591)	201%	\$ 130,098
2033	\$ 530,427	\$ 20,319	\$ (39,290)	\$ -	\$ 511,456	\$ 682,875	\$ (322,874)	\$ (34,717)	\$ (357,591)	208%	\$ 153,865
2034	\$ 555,556	\$ 21,282	\$ (40,469)	\$ -	\$ 536,369	\$ 347,780	\$ (335,096)	\$ (22,495)	\$ (357,591)	216%	\$ 178,778
2035	\$ 581,876	\$ 22,290	\$ (41,683)	\$ -	\$ 562,483	\$ (0)	\$ (347,780)	\$ (9,812)	\$ (357,591)	224%	\$ 204,892
2036	\$ 609,442	\$ 23,346	\$ (42,933)	\$ -	\$ 589,855	\$ (0)	\$ (0)	\$ 0	\$ -	0%	\$ 589,855
2037	\$ 638,315	\$ 24,452	\$ (44,221)	\$ -	\$ 618,546	\$ (0)	\$ -	\$ -	\$ -	0%	\$ 618,546
2038	\$ 668,555	\$ 25,610	\$ (45,548)	\$ -	\$ 648,617	\$ (0)	\$ -	\$ -	\$ -	0%	\$ 648,617
2039	\$ 700,227	\$ 26,823	\$ (46,914)	\$ -	\$ 680,136	\$ (0)	\$ -	\$ -	\$ -	0%	\$ 680,136
2040	\$ 733,401	\$ 28,094	\$ (48,322)	\$ -	\$ 713,173	\$ (0)	\$ -	\$ -	\$ -	0%	\$ 713,173
2041	\$ 768,146	\$ 29,425	\$ (49,771)	\$ -	\$ 747,800	\$ (0)	\$ -	\$ -	\$ -	0%	\$ 747,800
2042	\$ 804,536	\$ 30,819	\$ (51,265)	\$ -	\$ 784,090	\$ (0)	\$ -	\$ -	\$ -	0%	\$ 784,090
2043	\$ 842,651	\$ 32,279	\$ (52,802)	\$ -	\$ 822,128	\$ (0)	\$ -	\$ -	\$ -	0%	\$ 822,128
2044	\$ 882,572	\$ 33,808	\$ (54,387)	\$ -	\$ 861,993	\$ (0)	\$ -	\$ -	\$ -	0%	\$ 861,993
2045	\$ 924,384	\$ 35,410	\$ (56,018)	\$ -	\$ 903,776	\$ (0)	\$ -	\$ -	\$ -	0%	\$ 903,776
TOTAL	\$ 16,450,503	\$ 548,196	\$ (1,345,410)	\$ (198,821)	\$ 15,454,468	\$ (5,000,000)	\$ (2,151,826)	\$ (7,151,826)			\$ 8,302,643

Actual

FYE	Utility Savings	REC Sales	O&M Expense	Other Exp	Net Operating Savings	Principal Balance	Principal Payment	Interest Payment	Total Debt Service	DSCR	Net Cash Flow
Y0	\$ -	\$ -	\$ -	\$ (239,947)	\$ (239,947)	\$ 5,000,000	\$ (85,046)	\$ (65,104)	\$ (150,150)		\$ (390,097)
2016	\$ 102,607	\$ -	\$ (35,575)	\$ -	\$ 67,032	\$ 4,914,954	\$ (174,905)	\$ (182,686)	\$ (357,591)	19%	\$ (290,559)
2017	\$ 363,593	\$ -	\$ (35,575)	\$ (24,528)	\$ 303,491	\$ 4,740,049	\$ (181,525)	\$ (176,066)	\$ (357,591)	85%	\$ (54,101)
2018	\$ 370,590	\$ -	\$ (35,575)	\$ -	\$ 335,016	\$ 4,558,524	\$ (188,396)	\$ (169,195)	\$ (357,591)	94%	\$ (22,576)
2019	\$ 128,315	\$ -	\$ (35,575)	\$ -	\$ 92,740	\$ 4,370,127	\$ (195,528)	\$ (162,064)	\$ (357,591)	0%	\$ (264,851)
2020	\$ 1,075,131	\$ -	\$ (35,575)	\$ -	\$ 1,039,556	\$ 4,174,600	\$ (202,929)	\$ (154,663)	\$ (357,591)	0%	\$ 681,965
2021	\$ 119,612	\$ -	\$ (35,575)	\$ -	\$ 84,038	\$ 3,971,671	\$ (210,610)	\$ (146,982)	\$ (357,591)	0%	\$ (273,554)
2022	\$ 1,237,537	\$ -	\$ (35,575)	\$ -	\$ 1,201,963	\$ 3,761,062	\$ (265,862)	\$ (73,103)	\$ (338,964)	0%	\$ 862,998
2023	\$ 789,568	\$ -	\$ (35,575)	\$ -	\$ 753,993	\$ 3,495,200	\$ (241,121)	\$ (97,844)	\$ (338,964)	0%	\$ 415,029
2024	\$ 425,190	\$ -	\$ (35,575)	\$ -	\$ 389,615	\$ 3,254,079	\$ (123,098)	\$ (46,384)	\$ (169,482)	0%	\$ 220,133
2025	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
2026	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
2027	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
2028	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
2029	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
2030	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
2031	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
2032	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
2033	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
2034	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
2035	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
2036	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
2037	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
2038	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
2039	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
2040	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
2041	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
2042	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
2043	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
2044	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
2045	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
TOTAL	\$ 4,612,144	\$ -	\$ (320,172)	\$ (264,475)	\$ 4,027,496	\$ (1,869,019)	\$ (1,274,090)	\$ (3,143,108)			\$ 884,388



DATE: January 23, 2024
 TO: Board of Directors
 FROM: Don Bartz, General Manager/Treasurer
 BY: David Noland, Finance Supervisor

Cash / Investment Report

31-Dec

Institution	Account Type	Amount	Interest Rate	Maturity Date	Market Value	% of total Funds
<u>CHECKING ACCOUNTS</u>						
Flagstar Bank (DCB)	Checking / Sweep	\$ (90,264.43)	2.50%	N/A	\$ (90,264.43)	-0.32%
<u>INVESTMENT ACCOUNTS</u>						
State of California	LAIF	\$40,963.74	3.80%	N/A	\$ 40,963.74	0.14%
California CLASS	JP Investment Pool	\$14,542,350.54	5.54%	N/A	\$ 14,542,350.54	51.26%
Flagstar Bank (DCB)	Savings	\$853,205.14	3.95%	N/A	\$ 853,205.14	3.01%
Flagstar Bank (DCB)	CD (2 yr.)	\$5,000,000.00	4.57%	11/29/2024	\$ 5,000,000.00	17.63%
Flagstar Bank (DCB)	CD (2 yr.)	\$1,000,000.00	4.08%	5/8/2025	\$ 1,000,000.00	3.53%
Flagstar Bank (DCB)	CD (3 yr.)	\$1,000,000.00	4.30%	11/29/2025	\$ 1,000,000.00	3.53%
Flagstar Bank (DCB)	CD (3 yr.)	\$1,000,000.00	4.70%	11/9/2026	\$ 1,000,000.00	3.53%
Flagstar Bank (DCB)	CD (4 yr.)	\$1,000,000.00	4.15%	11/29/2026	\$ 1,000,000.00	3.53%
Flagstar Bank (DCB)	CD (5 yr.)	\$1,000,000.00	4.50%	11/9/2028	\$ 1,000,000.00	3.53%
Charles Schwab	US Treasury (3 yr.)	\$994,000.00	4.25%	11/29/2025	\$ 992,291.51	3.50%
Charles Schwab	CD (2 yr.)	\$250,000.00	4.80%	5/19/2025	\$ 250,089.75	0.88%
Charles Schwab	CD (3 yr.)	\$250,000.00	4.60%	5/15/2026	\$ 250,408.00	0.88%
Charles Schwab	CD (3 yr.)	\$250,000.00	4.65%	5/19/2026	\$ 250,749.75	0.88%
Charles Schwab	CD (3 yr.)	\$21,000.00	4.50%	5/29/2026	\$ 21,014.91	0.07%
Charles Schwab	CD (3 yr.)	\$250,000.00	4.65%	12/14/2026	\$ 251,848.00	0.88%
Charles Schwab	CD (3 yr.)	\$250,000.00	4.60%	12/14/2026	\$ 251,504.50	0.88%
Charles Schwab	CD (4 yr.)	\$250,000.00	4.50%	5/17/2027	\$ 251,835.50	0.88%
Charles Schwab	CD (4 yr.)	\$250,000.00	4.50%	12/13/2027	\$ 253,062.50	0.88%
Charles Schwab	CD (4 yr.)	\$250,000.00	4.55%	12/13/2027	\$ 253,506.50	0.88%
<u>MISC ACCOUNTS</u>						
Cnty/Change Fund/Petty Cash		\$ 7,298.61		N/A	\$ 7,298.61	0.03%
TOTAL		\$ 28,368,553.60			\$ 28,379,864.52	100%

Statement on Compliance with Investment Policy

The District is in compliance with the adopted Investment Policy

Statement of Ability to Meet Required Expenditures for the Next Six Months

Based upon currently budgeted revenues and expenditures, the District has sufficient financial resources to meet the anticipated expenditures for the next six months of 1/1/2025 through 7/1/2025

PRESS RELEASE - 1/16/2024

PHELAN PIÑON HILLS COMMUNITY SERVICES DISTRICT 2024/2025 BUDGET PROCESS & SCHEDULE

Each year, staff is tasked with preparing a budget for consideration at an annual Public Hearing in June. The process leading up to the hearing includes several public meetings to provide the Board and the public with information for consideration and opportunities for input into the budget process. These public meetings include workshops, committee, and Board meetings. Beginning in January, committees review and update their respective Long Range Plans including the 10-year Capital Improvement Plan (CIP) and Maintenance plans. In February, staff gathers information in preparation for the budget. February through March, the Board reviews and approves the Long Range Capital Plans. Staff utilizes budget assumptions based on the consumer price index and other economic factors. Considering these guidelines, staff begins the process of preparing a draft budget. Staff works with department managers and supervisors to obtain budget information and incorporates the data with the assumptions as directed by the Board. The draft budget is reviewed by management and presented to the Finance Committee for consideration prior to being presented to the full Board. The Final Draft Budget is made available for review and a public hearing is held in June. The Final Draft Budget is presented to the Board during the public meeting for final review, consideration, and adoption. All of these are public meetings and the District encourages public attendance and participation. The events listed below have been scheduled to promote public participation and ensure the public has the opportunity to become familiar with the budget process. **The Public is invited to ALL of these sessions and is encouraged to attend.**

SCHEDULE OF EVENTS

PUBLIC MEETINGS AND HEARING FOR 2024/2025 BUDGET PROCESS

January & February	Committees meet, review, and update long range capital, maintenance plans, programs, and District goals. Committee meeting agendas are posted on the District calendar, in the office, online, and at the community centers. The public is invited and encouraged to attend and participate in this process.
Wednesday – 5:00 p.m. February 21, 2024	Special Board Workshop – Review and approval of committee proposed long range capital, maintenance plans, programs, and goals.
Tuesday – 4:00 p.m. March 19, 2024	Special Finance Committee – Review Draft Budget
Wednesday – 5:00 p.m. April 3, 2024	Special Board Workshop – Review Draft Budget
Tuesday – 4:00 p.m. April 16, 2024	Finance Committee – Review Final Draft Budget
Wednesday – 5:00 p.m. May 1, 2024	Special Board Workshop – Review Final Draft Budget. Note: This meeting is tentative. The meeting of April 3, 2024, will determine whether or not this meeting will be necessary.
Wednesday – 5:00 p.m. June 26, 2024	Regular Board Meeting Budget Hearing & possible Budget approval (with any modifications identified as a result of the hearing).

Meetings are subject to change. Visit the District's website at www.PPHCSD.org/meetings for more information.