



**FINANCE/PERSONNEL COMMITTEE MEETING MINUTES**

Friday, November 3, 2023 at 2:00 p.m.

First 5 Monterey County (F5MC) ♦ 1125 Baldwin Street ♦ Salinas, CA

**Call to Order:** Committee Chair Katy Eckert called the meeting to order at 2:03 p.m.

**Roll Call:** A legal quorum was present. Commissioners in attendance: Julie Drezner and Lori Medina. Katy Eckert participated via Zoom in accordance with the Brown Act and AB 2449.

**Approve Agenda:** By consensus roll call, the Agenda was approved as presented.

**Public Comment Period:** *Members of the audience desiring to address the Committee may do so during this time. Public comments on items not already on the agenda will be accepted.*

No public comments were made.

**Action/Information Items:**

**1. Approval of Finance/Personnel Committee Meeting Minutes for September 13, 2023**

ACTION: Upon motion from Commissioner Medina, seconded by Commissioner Eckert, the September 13, 2023, Minutes were approved as presented. A Roll Call vote was taken, and the motion was unanimously approved.

**2. Investment Review - *Kris Curtis, Controller***

ACTION: Upon motion from Commissioner Drezner and seconded by Commissioner Medina, the Investment Portfolios for fiscal quarter ending 9/30/22, 12/31/22, 3/31/23 and 6/30/23 were reviewed and accepted as presented. A Roll Call vote was taken, and the motion was unanimously approved.

**3. Review of Financials for Quarter ended 9/30/23 – *Kris Curtis, Controller***

ACTION: Upon motion from Commissioner Medina and seconded by Commissioner Drezner, the FY23/24 1st Quarter Financials were reviewed and accepted as presented and recommended that the Balance Sheet and Income/Expenses by Month be moved forward to the December 4, 2023 Regular Commission Meeting for full approval. A Roll Call vote was taken, and the motion was unanimously approved.

**4. Review and Discuss 2024 COLA - *Kerstine Curtis, Controller***

ACTION: Upon motion from Commissioner Eckert and seconded by Commissioner Drezner, the COLA for 2024 was reviewed and the Committee recommend the 2.5% COLA be moved forward to the December 4, 2023 Regular Commission Meeting for approval as a Consent Agenda Item. A Roll Call vote was taken, and the motion was unanimously approved.

The Committee also directed Staff to provide additional information beyond CPI calculation for next year with the COLA presentation to include COLA information from other First 5's, County of Monterey, School Districts, as well as similar bargaining groups from the State of California.

**5. Finance/Personnel Committee 2024 Meeting Schedule – *Kris Curtis, Controller***

ACTION: Upon motion from Commissioner Medina and seconded by Commissioner Drezner, the 2024 draft Meeting Schedule was reviewed and the Committee recommended to move it forward to the December 4, 2023 Regular Commission Meeting with the noted date changes. A Roll Call vote was taken, and the motion was unanimously approved.

**6. Approval of the Director of Racial Equity and Strategic Partnerships Job Description and Approval to Revise the Director of Programs and Programs Manager Job Descriptions**

ACTION: Upon motion from Commissioner Drezner and seconded by Commissioner Medina, the Committee reviewed and approve the Director of Racial Equity and Strategic Partnerships job descriptions, with non-substantive changes as needed, and to revise the Director of Programs and Programs Manager job descriptions. A Roll Call vote was taken, and the motion was unanimously approved.

**7. Funded Partner Update – Kris Curtis, Controller**

Updates may be provided on the following partners in one or more of the categories listed below:

Alisal USD, Centro Binacional para el Desarrollo Indígena Oaxaqueño, Monterey County Office of Education (MCOE), North Monterey County USD (NMCUSD), Salinas Public Library, GoKids, Inc., Hartnell Community College, Monterey Peninsula College, Door to Hope, Monterey County Probation Department, and Pajaro Valley Prevention and Student Assistance, Inc.

- a. Contract Update
- b. Expenditure Update
- c. Audit Update

ACTION: Upon motion from Commissioner Medina and seconded by Commissioner Drezner, the Funded Partner Update was reviewed and accepted as presented. A Roll Call vote was taken, and the motion was unanimously approved.

**8. Discussion of Process for Public Employee Performance Evaluation: Executive Director – Kris Curtis, Controller**

ACTION: Upon motion from Commissioner Medina and seconded by Commissioner Drezner, the Process was reviewed and approved, and the Committee recommended it be presented at the December 4, 2023 Regular Commission Meeting. A Roll Call vote was taken and the motion was unanimously approved.

**Adjournment:** Commissioner Eckert adjourned the meeting at 3:15 p.m.

*FIRST 5 MONTEREY COUNTY*  
*BOARD BRIEFER*

<b>MEETING:</b> February 2, 2024 Finance/Personnel Committee Meeting	<b>AGENDA ITEM:</b> 2
<b>SUBJECT:</b> Auditor Selection	

**RECOMMENDED ACTION:**

1. Review audit services submissions in response to the Audit Services “Informal Selection Process” posted on November 17, 2023.
2. Make recommendation to the Regular Commission for an independent certified public accounting firm to perform the annual audit for the fiscal year ending June 30, 2024 as a Consent Agenda Item.

**SUMMARY/DISCUSSION:**

The Finance/Personnel Committee functions as the Commission’s Audit Committee and has the responsibility to recommend selection of the Commission’s outside auditor. Because it is the auditor’s responsibility to provide oversight of staff, staff does not provide a recommendation for an auditor, and it is the Finance/Personnel Committee that reviews and ranks the proposals to provide a recommendation to the full Commission.

F5MC is required to prepare and adopt audited financial statements in a public hearing on or before October each year. F5MC is also required to submit audited financial statements to the State Commission and the State Controller by November 1 each year. The audit must comply with the California State Controller’s Standards and Procedures for Audits of California Counties Participating in the California Children and Families Program (Expanded audit).

The Informal Selection Process was posted on F5MC’s website and emailed out to thirty-one audit firms on November 17, 2023. Three proposals were received.

Attached for review are:

- a) Three audit proposals
  - i. Brown Armstrong Accountancy Corp.
  - ii. Christy White, Inc
  - iii. Hudson Henderson and Company, Inc.
- b) Auditor Selection Rating Form – please review and rank proposals using this form
- c) Summary Schedule of Audit Proposals
- d) Informal Selection Process Bid Request
- e) List of Auditors sent the informal bid request

F5MC is aligned with current best practice, which is to do a new purchasing process every 3-5 years. Auditor independence is the main goal of rotation and auditing firms are required to change “Lead Partner” on each client’s audit job, at a minimum, every 5 years. Brown Armstrong Accountancy Corp. has been our Auditor since FY16/17. They were selected through an informal process, as delineated in F5MC Purchasing Policy Section 5, in October 2016, and then via a sole source exception for FY17/18 & FY18/19. Brown Armstrong was again chosen through a new informal process in November 2019 for FY19/20, and then via sole source exemption for FY20/21, FY21/22, and FY22/23. Rosalva Flores was Brown Armstrong’s Lead Partner for F5MC’s audit for FY16/17 – FY20/21 and then Ashley Green was Brown Armstrong’s Lead Partner for FY21/22 and FY22/23.

**FINANCIAL IMPLICATIONS:**

- The cost of the audit for FY23/24 will be included in the FY24/25 budget.
- An Annual Audit is a requirement for receiving Prop 10 funds from the State Commission.

---

Kris Curtis, Controller



# PROPOSAL

## FOR PROFESSIONAL AUDIT SERVICES

PREPARED FOR  
**First 5 Monterey County**

**DECEMBER 8, 2023**

PREPARED BY  
**Brown Armstrong Accountancy Corporation**

Ashley Green, CPA/ Partner  
2423 W. March Lane, Suite 202  
Stockton, California 95207

T: (209) 451-4833 | F: (661) 324-4997 | E: [agreen@ba.cpa](mailto:agreen@ba.cpa)



# First 5 Monterey County Table of Contents

Page

Transmittal Letter ..... 1

**Audit Proposal**

Contact Information..... 3

Qualifications and Experience ..... 3

Engagement Staff..... 3

Resumes ..... 5

Familiarity with *Government Auditing Standards*..... 9

First 5 Experience..... 9

Expanded Audit Experience ..... 9

Approach ..... 9

References ..... 11

Cost ..... 11

**Transmittal Letter**

December 8, 2023

First 5 Monterey County  
Ana Duran, Finance Support  
1125 Baldwin Street  
Salinas, California 93906

Dear Ms. Duran;

Brown Armstrong Accountancy Corporation is pleased to submit this proposal to perform a financial and compliance audit for First 5 Monterey County for the year ending June 30, 2024. We have enjoyed our relationship in the past and believe our proposal exceeds the requirements outlined in your request for proposal.

We believe one of the reasons we are best qualified to meet your needs is because of our extensive experience serving government entities for 45 years and our client oriented philosophy and hands on approach as well as our experience in serving you over the past years. Brown Armstrong is one of the largest regional accounting firms in California. Our mission is simple, we are set out “to exceed expectations and provide opportunities” for our clients. Our sixty-five (65) employees lead us in achieving this mission by working with our clients individually to overcome any challenges with a special combination of knowledge and experience in governmental, commercial, and non-profit audits.

As a result of our past relationship, we fully understand the work to be performed as we have documented our understanding of your systems and controls. We believe this will allow us to offer you exceptional service. We are committed to performing the highest quality audit work within your stated timeframe. One of our key strength is to develop an approach by which specific deliverables are achieved within set timeframes. We will work with you to develop a timeline that meets your specific requirements, meeting dates, fieldwork dates, status reporting dates, and final report dates.

In submitting this proposal, we are committing to performing the required scope of services and issuing our audit reports in accordance with your timeframes.

Our approach, people, commitment to timelines, and dedication to financial reporting excellence makes Brown Armstrong the best-qualified firm to meet your needs.

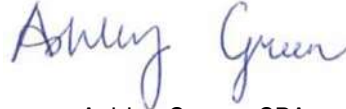
I will be the engagement partner assigned to your audit. I am the authorized representative of the firm and can be contacted at 2423 W March Lane, Suite 202 Stockton, CA 95207 or by telephone at (209) 451-4833 or email at [agreen@ba.cpa](mailto:agreen@ba.cpa).

#

Please call me if I can clarify or expand on any item contained in this proposal. We appreciate the opportunity to provide you with the outstanding service you expect. This proposal is a firm and irrevocable offer for ninety (90) days.

Sincerely,

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

A handwritten signature in blue ink that reads "Ashley Green". The signature is written in a cursive, flowing style.

By: Ashley Green, CPA  
Partner



# AUDIT PROPOSAL

First 5 Monterey County

## Contact Information

**Firm Name:** Brown Armstrong Accountancy Corporation  
**Contact Name:** Ashley Green  
**Contact Title:** Partner  
**Business Address:** 2423 W March Lane, Suite 202, Stockton, CA 95207  
**Phone Number:** (661) 324-4971  
**Email Address:** [agreen@ba.cpa](mailto:agreen@ba.cpa)  
**Website Address:** [www.ba.cpa](http://www.ba.cpa)

## Qualifications and Experience

Established in 1974, Brown Armstrong is one of the largest accounting firms serving California. We have built a full service accounting firm serving clients from San Diego to Humboldt County. The dimension that Brown Armstrong is able to offer First 5 Monterey County (First 5 OR F5MC) is dedicated years in public accounting, which has enabled us to become a true asset to your organization and an assistant to your financial success. Now, with sixty-five (65) highly skilled employees, Brown Armstrong continues its growth as a regional firm by offering auditing, tax, accounting, consulting, and assurance services to nonprofits, governmental entities, corporations, partnerships and individuals in California.

## Engagement Staff

Brown Armstrong has assembled a key group of professionals that possess a firm grasp of the subject matter, as well as the experience, confidence, and friendliness you deserve. Our staff will be there when you need them, and they will be continually involved in the audit process. This will allow you to have access to decision makers and the resources you need at all times.

<i><b>Our Staff</b></i>		<i><b>Governmental Audit Staff</b></i>	
<b>Partners</b>	8	<b>Partners</b>	6
<b>Shareholders in Training</b>	1	<b>Shareholders in Training</b>	1
<b>Managers</b>	11	<b>Managers</b>	7
<b>Seniors</b>	7	<b>Seniors</b>	6
<b>Staff</b>	23	<b>Staff</b>	23
<b>Support Staff</b>	<u>15</u>	<b>Support Staff</b>	<u>2</u>
	<b>65</b>		<b>45</b>

From our governmental audit staff of forty-five (45), we have assembled an audit team consisting of members who are extremely qualified to perform your audit. Each person identified as a CPA is licensed to practice as a certified public accountant in the State of California. Key team members, their roles, and a brief summary of their background are on the following pages.

Ashley Green, CPA will be the Engagement Partner and primary liaison responsible for all services to First 5 and she is authorized to contractually bind the firm.

The audit team will perform the audit remotely, which will provide you with the best customer experience and quality of service that the engagement deserves. All assigned personnel will be employed on a full-time basis, and have direct experience with special districts.

# AUDIT PROPOSAL

First 5 Monterey County

The members of the audit team assigned to your engagement are:

## FIRST 5 MONTEREY COUNTY TEAM



**Ashley Green, CPA**  
Engagement Partner

- 16 years governmental auditing experience
- Serves as the firm's Audit Quality Committee Partner
- Serves as State Committee Member for the Governmental Accounting and Auditing Committee

**Eric H. Xin, CPA, MBA**  
Technical Review Partner

- 35+ years governmental auditing experience

**Lindsey Gentry, CPA**  
Engagement Manager

- 5+ years governmental auditing experience

**Marlen Rojas, CPA**  
Engagement Senior

- 4+ years governmental auditing experience

Our scheduling methods ensure that assigned personnel are not overscheduled and are available to commit the time required to assigned projects. All of the proposed key staff have grown within the firm serving a diverse client base, with expertise ranging from special districts and non-profits to municipal, governmental retirement plans and counties.

First 5 Monterey requires auditors who can quickly identify and understand the pertinent issues and promptly provide assistance whenever and wherever needed. This cannot be accomplished without a comprehensive knowledge of operations. Brown Armstrong has assembled a key group of professionals that possess a firm grasp of the subject matter, as well as the experience, confidence, and friendliness you deserve. Our staff will be there when you need them, and they will be continually involved in the audit procedures. This will allow you to have access to decision makers and the resources you need at all times.

We want to provide the most stable, consistent staffing available during our partnership. Excessive personnel turnover can complicate engagements and decrease the efficiency of the audit due to "catch-up" time needed. Our mission to the First 5's maximum benefit from their working relationship with Brown Armstrong, we will continue to maintain the highest level of staff continuity throughout the course of the engagement. The engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted, or are assigned to another office. We understand that First 5 staff retains the right to approve or reject replacements. We also understand that other audit personnel may be changed at our discretion, provided that replacements have substantially the same or better qualification or experience. If First 5 wishes to rotate staff members to enhance independence, we are willing to discuss those terms in the engagement.

Resumes of the proposed engagement team can be found on the following pages.

## Resumes



# ASHLEY GREEN

ENGAGEMENT PARTNER, CPA

### EDUCATION

California State University, Chico, 2007

Bachelor of Science Degree  
in Business Administration,  
Option in Accounting

### CONTACT

PHONE:  
209-451-4833

WEBSITE:  
[www.ba.cpa](http://www.ba.cpa)

EMAIL:  
[agreen@ba.cpa](mailto:agreen@ba.cpa)

## BACKGROUND

Ashley Green, a partner at Brown Armstrong's Stockton office, has 16 years of experience in accounting and auditing of governmental clients. Her primary business focus is governmental entities and her audit specialties include retirement systems, transits, and special districts.

Ashley will be involved in the field work and a face to face presence for Brown Armstrong. She and the engagement manager will be easily accessible to F5MC at all times. Her ability to service her clients has become invaluable for Brown Armstrong. She is actively involved in a number of professional organizations such as the American Institute of Certified Public Accountants, Accounting and Financial Women's Alliance, and the California Society of Certified Public Accountants (CalCPA). Ashley is a member of the CalCPA San Joaquin Chapter, where she serves as a member of the Financial Literacy Committee and serves as a State Committee Member for the Governmental Accounting and Auditing Committee.

## EXPERIENCE

### Retirements

Contra Costa County Employees' Retirement Association  
City of Fresno Retirement System – Employees  
City of Fresno Retirement System – Fire and Police  
Fresno County Employees' Retirement Association  
Imperial County Employees' Retirement Association  
Los Angeles City Employees' Retirement System  
Los Angeles County Employees' Retirement Association  
Marin County Employees' Retirement Association  
Mendocino County Employees' Retirement Association  
Merced County Employees' Retirement Association  
Sacramento County Employees' Retirement System  
San Francisco Bay Area Rapid Transit Retirement Plans  
San Joaquin County Employees' Retirement Association  
San Joaquin Regional Transit District Retirement Plans  
San Mateo County Employees' Retirement Association  
Sonoma County Employees' Retirement Association  
Stanislaus County Employees' Retirement Association

### Special Districts

Bear Mountain Recreation & Park District  
County of Sonoma District Attorney's Office – Audit of Automobile  
Insurance Fraud and Workers' Compensation Fraud Programs  
East Bay Regional Park District  
First 5 Kern County  
First 5 Monterey County  
Kern-Tulare Water District  
Sonoma County Public Safety Consortium  
South San Joaquin Irrigation District

### Transits

Central Contra Costa Transit Authority  
Eastern Contra Costa Transit Authority  
Napa Valley Transportation Authority  
Riverside Transit Agency  
San Joaquin Council of Governments  
San Joaquin Regional Transit District  
Solano County Transit

## ROLES AND RESPONSIBILITIES

- Overall responsibility for the audit and delivery of client service
- Approves the overall audit risk assessment and audit procedures
- Communicates with executive management, and members of the F5MC, regarding audit planning, fieldwork and reporting
- Available throughout the year to ensure proactive issue identification and service delivery



## ERIC XIN

TECHNICAL REVIEW PARTNER,  
CPA, MBA

### EDUCATION

Nankai University, China, 1989  
Bachelor of Science Degree in Business

California State University, Bakersfield,  
1996  
Master's Degree in Business  
Administration

### CONTACT

PHONE:  
661-324-4971

WEBSITE:  
[www.ba.cpa](http://www.ba.cpa)

EMAIL:  
[exin@ba.cpa](mailto:exin@ba.cpa)

## BACKGROUND

Eric Xin, a partner at Brown Armstrong's Bakersfield office, will be the Technical Review Partner for this engagement. He has over 25 years of experience in auditing governmental entities and brings expertise in many areas. His primary audit focus is in counties, cities, special districts, and school districts.

Not only does he have experience in the audit process, but he will be an integral member of the team when it comes to keeping standards up to date. He is a reviewer for the GFOA Certificate of Achievement Program and reviews the Governmental Accounting Standards Board (GASB) advisory committees' latest pronouncements.

## EXPERIENCE

### Cities

City of Bakersfield  
City of Delano  
City of Fresno  
City of Laguna Woods

City of Modesto  
City of Tulare  
City of Santa Barbara  
City of Visalia

### Counties

County of Fresno  
County of Kern  
County of Kings  
County of Merced  
County of Riverside

County of San Diego – TTC  
County of Santa Barbara  
County of San Joaquin  
County of Stanislaus  
County of Tulare

### Nonprofits

Bakersfield D.A.R.E., Inc.  
Cal State University Bakersfield Foundation  
Community Action Partnership of San Luis Obispo  
Community Action Partnership of Madera County  
Christian Foundation of the West  
Ebony Counseling Center  
Economic Development Center – Fresno/Kings County  
Kern County Probation Officer's Association  
Missionary Church Western Region  
Pacific Health Education Center

### Special Districts

Buena Vista Water Storage District  
California Valley Community  
Services District  
First 5 Kern County  
First 5 Kings County  
First 5 Santa Barbara County  
First 5 Stanislaus County  
First 5 Merced County

First 5 Monterey County  
First 5 San Joaquin  
Olcese Water District  
San Joaquin Area Flood Control  
Agency  
San Joaquin Valley Air Pollution  
Control District  
South San Joaquin Irrigation District

## ROLES AND RESPONSIBILITIES

- Responsible for assisting the Engagement Partner in performing the audit risk assessment and design audit procedures
- Assists in audit documentation review in significant areas
- Reviews financial statements to ensure they are in conformance with GAAP and GFOA requirements
- Advises the audit team regarding technical matters and provides concurring approval of financial statements and audit reports



## LINDSEY GENTRY

ENGAGEMENT MANAGER, CPA

### EDUCATION

California State University, Fullerton, 2018

Bachelor of Arts Degree in Business Administration, Concentration in Accounting

### CONTACT

PHONE:  
661-324-4971

WEBSITE:  
[www.ba.cpa](http://www.ba.cpa)

EMAIL:  
[lgentry@ba.cpa](mailto:lgentry@ba.cpa)

## BACKGROUND

Lindsey is the engagement manager of the project and located in our Bakersfield office. She has more than 5 years of governmental auditing experience at Brown Armstrong. Her primary business focus is governmental entities audit and accounting. Her audit specialties include special districts, retirements, and nonprofits.

Lindsey will be highly involved in the field work and a face to face presence for Brown Armstrong. She and the supervisor accountant will be easily accessible to F5MC at all times. Her ability to manage an audit has become invaluable for Brown Armstrong. She is actively involved in a number of professional organizations such as the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants.

## EXPERIENCE

### Counties

County of Merced  
County of Napa

### Retirements

Imperial County Employees' Retirement System  
Marin County Employees Retirement Association  
Merced County Employees Retirement Association  
San Bernardino County Employees' Retirement Association  
San Diego County Employees' Retirement Association  
Stanislaus County Employees' Retirement Association  
Sacramento County Employees' Retirement System

### Special Districts

Carpinteria Valley Water District  
Cawelo Water District  
First 5 Monterey County  
Goleta Water District  
Kern Tulare Water District  
Lake Isabella Community Services District  
Mojave Air and Space Port  
Pixley Public Utilities District  
Port Hueneme Water Agency  
Southwest Health Care District  
Westside Mosquito & Vector Control District

### Nonprofits

Community Action Partnership of San Luis Obispo  
Community Action Partnership of Kern  
National Test Pilot School  
Rotary Club of Bakersfield  
Stockdale Christian School

## ROLES AND RESPONSIBILITIES

- Reports to the Partners regarding audit and technical matters
- Assists in the coordination of planning, fieldwork, and reporting matters
- Reviews audit documentation for significant audit areas
- Is in constant communication with executive management and members of F5MC regarding audit planning, fieldwork, and reporting



## MARLEN ROJAS

ENGAGEMENT SENIOR, CPA

### EDUCATION

California State University, Irvine, 2017

Bachelor of Arts Degree in Business  
Economics, Minor in Accounting

### CONTACT

PHONE:  
661-324-4971

WEBSITE:  
[www.ba.cpa](http://www.ba.cpa)

EMAIL:  
[mrojas@ba.cpa](mailto:mrojas@ba.cpa)

## BACKGROUND

Marlen is an audit senior at our Fresno office with four (4) years of governmental auditing experience. She has shown excellent performance in leading fieldwork, compiling and preparing financial statements, performing tests and analytical reviews, as well as creating strong working relationships with clients. She has executed audits in the past with little issues and is great at maximizing efficiency while performing audit work.

## EXPERIENCE

### Cities

City of Fresno

### Counties

County of Fresno

County of Merced

County of Santa Cruz

County of Tulare

County of Napa

### Nonprofits

Bakersfield ARC

Community Action Partnership of  
Madera

Community Action Partnership of  
San Luis Obispo

Desert Tortoise Preserve

Hoffman Hospice of the Valley, Inc.

The Needs Center, Inc.

RISE – San Luis Obispo

### Retirements

Contra Costa County Employees' Retirement Association

Marin County Employees Retirement Association

Mendocino County Employees' Retirement Association

Merced County Employees Retirement Association

San Francisco Bay Area Rapid Transit Money Pension Plan

San Joaquin County Employees' Retirement Association

San Luis Obispo County Pension Trust

San Mateo County Employees' Retirement Association

Sacramento County Employees' Retirement System

Tulare County Employees' Retirement Association

Ventura County Employees' Retirement Association

### Special Districts

Buena Vista Water Storage District

East Bay Regional Park District

First 5 Monterey County

First 5 San Mateo County

Napa County Sanitation District

North Coast Unified Air Quality

Management District

### Transits

Central Contra Costa Transit Authority

Fresno County Transportation Authority

Kings County Area Public Transit Agency

Tulare County Association of Governments

## ROLES AND RESPONSIBILITIES

- Leading fieldwork audit team
- Reviews, analyzes, and documents client internal controls
- Completes complex audit procedures
- Researches and performs tests and analytical reviews on issues under direction of the Engagement Manager
- Reviews financial statements and workpapers before sending the drafts to Engagement Manager and Partners for further review

# AUDIT PROPOSAL

First 5 Monterey County

## Familiarity with Government Auditing Standards

Some of our clients receive State funds from various departments including Department of Education, Transportation, and Aging. Many of these audits are required to be in accordance with standards set forth in the *Government Auditing Standards*, issued by the Comptroller General of the United States.

In addition, we take great pride in being our clients' main source and consultants for all things GASB and GAAP. We are open to consultations throughout the year, and not just during the audit period. We provide comprehensive training and CPE opportunities for ourselves and our clients to gain an understanding and get a jump start on implementation of new GASB standards, federal and state regulations, and updates to *Government Auditing Standards*. As your auditors, we honor our commitment to building a lasting relationship, and in acting, responding and exceeding your expectations year-round.

## First 5 Experience

First 5 requires auditors who can quickly identify and understand the pertinent issues and promptly provide assistance whenever and wherever needed. This cannot be accomplished without a comprehensive knowledge of your needs. Brown Armstrong has assembled a key group of professionals that possess a firm grasp of the subject matter, as well as the experience, confidence, and friendliness you deserve. Our staff will be there when you need them, and they will be continually involved in the audit process. This will allow you to have access to decision makers and the resources you need at all times. All assigned personnel will be employed on a full-time basis. Following is a list of the most significant engagements performed in the last three (3) years that are similar to First 5's engagement.

First 5 Kern County Children and Families Commission  
First 5 Merced County Commission  
First 5 Santa Barbara County Commission  
First 5 Stanislaus County Commission

First 5 Napa County Commission  
First 5 Ventura County Commission  
First 5 San Mateo County Commission

## Expanded Audit Experience

From our experiences with our various First 5 clients, we constantly check the State Controller's website for updated requirements involving the Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act. We performed the "expanded audit" for all our First 5 clients and are familiar and knowledgeable about the procedures. We will review the procurement policies and calculate the administrative costs to ensure that First 5 meets the required percentage. We will analyze the salaries and benefits and the long-range plan of the First 5. We will review the First 5's conflict of interest policy. If we find any exceptions, we will discuss with management prior to reporting these exceptions on our reports.

## Approach

We will perform a financial audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller of the United States, Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act (First 5) issued by the State Controller's Office and render all applicable opinions and reports.

### Planning (June)

Tasks to be accomplished during this phase include:

- Conference with management to discuss the scope of the examination, availability (vacation schedules) of your staff, coordination of our audit efforts with your efforts to produce the required financial reports.
- Conferences with all personnel involved in the engagement to discuss the scope and timing of the engagement, and anticipated areas of audit emphasis.
- Analytical review of year-to-date financial information.

# AUDIT PROPOSAL

## First 5 Monterey County

### **Study and Evaluation of Internal Control (August)**

This is the cornerstone of the examination. Internal accounting control generally comprises the plan of organization and procedures and records that are concerned with the safeguarding of assets and reliability of financial records.

We will begin by preparing flow charts and other memoranda to fully describe all financial systems. We will then review the documents to isolate the significant strengths and weaknesses that would affect the extent of substantive audit procedures to be employed. Each strength is then tested and the results subjected to evaluation. These evaluations assist us in determining the amount of reliance we can place on those significant strengths we have identified.

At this point we make adjustments to our auditing plan to compensate for the significant strengths and weaknesses thus identified and substantiated.

### **Substantive Tests (August)**

In this portion of the examination, we obtain sufficient competent evidential matter through inspection, observation, inquiries and confirmations to afford a reasonable basis for an opinion regarding the financial statements under audit. The extent and timing thereof is determined by the results of our study and evaluation of internal control.

### **Compliance Tests (August)**

Concurrent with the substantive testing, we perform the compliance tests which have been designated to meet the objectives and requirements specified in the State of California's Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act, issued by the State Controller's Office. We will also test to ensure that the First 5 meets all the requirements.

### **Supervision and Review (August)**

The review process is constant throughout the engagement. Each working paper prepared by a staff assistant is reviewed by the engagement senior staff and engagement partner.

To be effective, the reviews must be conducted as the engagement progresses and as each important step is completed. Our procedure is for the engagement senior staff, manager, and partner to review the work at the conclusion of each significant task through the engagement as an integral quality control procedure. An audit partner not directly involved in the engagement then reviews the financial statements and reports for concurrence prior to report issuance.

### **Expression of Opinion - Our Primary Purpose (September)**

Our final review of the working papers includes a determination as to whether or not we have a basis to support our opinion that the financial statements are presented fairly, in conformity with generally accepted accounting principles applied on a consistent basis, and that they contain adequate informative disclosure.

As a normal part of any examination we conduct, a management letter is prepared which identifies observations we have made in the course of our work with respect to accounting practices, which are not generally accepted, deficiencies in internal control and operational inefficiencies, or noncompliance, if any. At appropriate times, your personnel are consulted to ensure the correctness of our understanding. These findings are then communicated in writing to management and ultimately the Board, together with our specific recommendations for improvements in accounting practices, operating practices and internal control procedures.

We will prepare the first draft report around the end of August for review by F5MC's Controller and present the final draft of the reports to the Personnel and Finance Committee in early September for approval. Once the report is finalized, we will present the approved audit reports to the full commission in late September. To comply with the State Controller's Office requirements, we will submit copies of the final report to the State Controller's Office on or before November 1, 2024.



# AUDIT PROPOSAL

First 5 Monterey County

## References

Client	Contact Person
First 5 Kern	Patti Taylor (661) 328-7037 <a href="mailto:ptaylor@first5kern.org">ptaylor@first5kern.org</a>
First 5 San Mateo	Khanh Chau, MBA, CPA (650) 372-9500 <a href="mailto:kchau@smcgov.org">kchau@smcgov.org</a>
First 5 Ventura	Jennifer Johnson (805) 648-9990 <a href="mailto:jjohnson@first5ventura.org">jjohnson@first5ventura.org</a>

## Cost

ANNUAL AUDIT SERVICES	FEE PROPOSED			
	Year 1	Year 2	Year 3	Year 4
<b>FINANCIAL STATEMENTS AUDIT AND ADVISORY SERVICES</b>				
Audit fee for preparation of basic financial statements	\$ 18,500	\$ 19,055	\$ 19,627	\$ 20,216
<b>ANY SUPPLEMENTAL START UP FEE</b>				
(First Year Only)	N/A	N/A	N/A	N/A
<b>TOTAL ANNUAL FEE</b>	<b>\$ 18,500</b>	<b>\$ 19,055</b>	<b>\$ 19,627</b>	<b>\$ 20,216</b>



# Proposal for Independent Audit: First 5 Monterey County

Salinas, California

For the fiscal year ending June 30, 2024 through  
June 30, 2027

***Submitted on December 08, 2023:***

By: Christy White Brook, CPA, CFE  
619-270-8222  
CWhite@christywhite.com

PROPOSAL FOR INDEPENDENT AUDIT FOR FIRST 5 MONTEREY COUNTY

---

TABLE OF CONTENTS

Transmittal Letter from Christy White, Inc. .... 1

Statement of Qualifications..... 2

    1. Name of Firm and Contact information..... 2

    2. Size and Organization of Christy White, Inc..... 3

    3. Audit Director with Lead Responsibility ..... 4

    4. Staff Qualifications ..... 4

    5. References of California First 5 Audits ..... 8

    6. Understanding of The Work to Be Prepared..... 9

    7. General Auditing Approach ..... 11

    8. Level and Nature of Support Required ..... 13

    9. Schedule of Audit Work ..... 14

    10. Licenses and Insurances ..... 15

Auditor’s Proposed Fees..... 16

**Appendices:**

- W-9
- Insurance Certificates
- Quality Control Peer Review Opinion



Certified Public Accountants serving  
K-12 School Districts and Charter  
Schools throughout California

December 08, 2023

Board of Commissioners  
First 5 Monterey County  
Salinas, California

Dear Board of Commissioners:

Christy White, Inc. (CW) is pleased to respond to First 5 Monterey County's request for Annual Financial Statement Audits for the fiscal year ending June 30, 2024 through June 30, 2027 .

We **specialize in auditing California school district, charter schools and First 5 Commissions**, including First 5 Humboldt, First 5 Glenn County, First 5 Mono County, First 5 Trinity County, First 5 Del Norte County, and First 5 Modoc County. In 2022-21, we were providing services to over 60 nonprofit charter schools, 120 school districts, and 6 First 5 Commissions. In addition, we audit school bonds and state facilities grants, plus, should the need arise, we perform forensic audits.

**CW will serve First 5 Monterey County from our San Francisco Bay Area Office.** For 9 years, our firm has audited First 5 Commissions, so you get the benefits of an experienced specialized. We assure you that every Christy White team member will be trained and able to handle your audit efficiently and effectively. Moreover, we provide **free training and accounting advice** to our clients.

Founding partner, Christy White, has 35 years of school audit and consulting experience and is joined by Partners Heather Daud Rubio, Michael Ash, John Whitehouse, Marcy Kearney, and Kyle Montgomery, plus six director-level managers, and experienced in-charges auditors and staff. My partners and I have a great deal of interest and **commitment to providing excellent auditing services to First 5 Monterey County.** Our team is committed to meeting all requirements and timelines for the successful completion of the engagement.

After reading through our proposal, should you have any questions, please feel free to contact me at 619-270-8222. I would be happy to meet with you, the auditor selection committee, and the Board of Commissioners.

Sincerely,

Christy White Brook, CPA, CFE  
President

348 Olive Street  
San Diego, CA  
92103

O: 619-270-8222  
F: 619-260-9085  
[christywhite.com](http://christywhite.com)

## PROPOSAL FOR INDEPENDENT AUDIT FOR FIRST 5 MONTEREY COUNTY

---

### STATEMENT OF QUALIFICATIONS OF CHRISTY WHITE, INC.

#### 1. NAME OF FIRM AND CONTACT INFORMATION

Legal Name: Christy White, Inc. (dba Christy White Associates, Inc.)  
Business Address: 348 Olive Street, San Diego, CA 92103  
Telephone Number: 619-270-8222  
Fax Number: 619-260-9085  
Email Address: [CWhite@christywhite.com](mailto:CWhite@christywhite.com)  
Web Address: [www.christywhite.com](http://www.christywhite.com)

#### 2. SIZE AND ORGANIZATION OF CHRISTY WHITE, INC.

Christy White, Inc. (CW), a professional Accountancy corporation, is the 2<sup>nd</sup> largest CPA firm in the number of Local Educational Agencies (LEAs) audited annually. We are San Diego based with employees located throughout the State. We provide a wide range of audit and consulting services, including financial and forensic auditing; internal audit risk assessments; and, free consultation on FASB implementations.

CW is a member of the Private Companies Practice Section (PCPS) and Government Quality Control Center (GQCC) of the American Institute of CPAs, which requires an independent peer review every three years. Christy White, Inc. We received the best result of "Pass" in our most recent review.

We are members of the American Institute of CPAs (AICPA) and the California Society of CPAs. Also, we are association members with the California Charter Schools Association, the California Association of School Business Officials, and the Certified Fraud Examiner's Association.

CW is also an active participant in the development of the annual K-12 audit guide and dialogues regularly with State agencies on audit issues that affect our clients.

#### **LICENSING**

Christy White, Inc. (CW) is a professional accountancy corporation, incorporated in the State of California. CW is licensed by the State Board of Accountancy, as Christy White Associates, Inc. We are a majority women-owned firm. The California State Controller's Office CPA Directory lists Christy White as an eligible CPA firm that conducts LEA audits.

STATEMENT OF QUALIFICATIONS OF CHRISTY WHITE, INC., CONT'D

2. SIZE AND ORGANIZATION OF CHRISTY WHITE, INC., CONT'D

**FIRM HISTORY, SERVICES, AND SIZE**

Christy White, Inc. was incorporated in 2010, succeeding Nigro Nigro & White (NNW) as the AICPA designated successor firm, (Christy White was a founding partner NNW in 1999). Our firm has grown steadily over the past 20 years and now has 30 professionals, including seven CPAs.

We offer services exclusively to local educational agencies (LEAs), including school districts and charter schools. It's our full specialization in LEAs that makes us unique among CPA firms and provides added value to our clients. CW audits over 120 school districts, 7 county offices of education, 90 Proposition 39 bonds, over 50 charter schools and 6 First 5 Commissions. Our audit clients range in size from large school districts to mid-size and small entities. Our consulting capabilities include helping our clients with:

ASB Training	Forensic/Fraud Audits
Attendance Accounting	Business Functions Organization
GASB and Compliance Implementation	Charter School Back Office
Efficiency Studies	Financial Reporting

**ORGANIZATIONAL STRUCTURE**

Firm representatives from each of our organizational levels comprise our proposed audit team. We will not joint venture with another firm on this engagement. And, Christy White, Inc. is financially stable. We have no long-term debt and have remained fiscally stable throughout our 20-year history.

✓ **CW's QUALITY CONTROL SYSTEM**

Our quality control systems include policies and procedures in areas such as leadership, ethical requirements, acceptable of new clients, personnel management, engagement performance, monitoring, and communication. We actively monitor compliance with our quality control document through timely review of work papers, training on new standards, consultation on complex areas, and sound human resources practices. CW has received the highest level of assurance from our peer reviewer, which is "Pass." Attached is our most recent quality control report.

**PROPOSAL FOR INDEPENDENT AUDIT FOR FIRST 5 MONTEREY COUNTY**

**STATEMENT OF QUALIFICATIONS OF CHRISTY WHITE, INC., CONT'D**

**3. AUDIT SENIOR DIRECTOR:** The Audit Senior Director will be Sarah Palafox. Accompanying her is an experienced team of auditors.

**4. STAFF QUALIFICATIONS**

The firm partners and staff of Christy White, Inc. (CW) bring an extensive background of audit and consulting experience to CW clients. We have audited local educational agencies (LEAs) throughout California and are familiar with the unique issues relative to school finance, in particular: budgetary constraints, construction accounting, new state program issues, attendance accounting, state funding models, and cash flow management. The team will include:

<b>Christy White, Inc. Personnel Assigned</b>	
<b>Name</b>	<b>Classification</b>
Kyle Montgomery, CPA	Lead Engagement Partner
Christy White Brook, CPA, CFE	Concurring Partner
Sarah Palafox	Senior Director
Jesus Cardenas	Supervisor
Robert Contreras	Senior Accountant
Heyssell Vargas	Experienced Staff

**STAFF TRAINING PROGRAMS**

CW's program of staff development includes two full weeks of focused in-house training in the audit of various entities. We also provide opportunities to staff to attend professional training provided by outside providers, such as School Services of California, the California Society of CPAs, and CCSA.

STATEMENT OF QUALIFICATIONS OF CHRISTY WHITE, INC., CONT'D

4. STAFF QUALIFICATIONS, CONT'D

RESUMES OF CHRISTY WHITE, INC.'S ASSIGNED AUDIT TEAM

Biographies of all staff members assigned to your audit are shown below.



**Partner, Kyle Montgomery, CPA** manages our San Diego office staff and is known for his expert knowledge of local education agencies, charter schools, and non-profit organizations. Since joining CWA in 2012, Kyle has become a leader in some of CWA's largest engagements. Kyle provides audit and financial consulting in the areas of internal controls, attendance accounting, compliance, Proposition 39 local school construction bonds, and State School Facilities programs.

Kyle graduated from San Diego State University in 2011 with a bachelor's degree in accounting and is proud to be an Aztec for life! Kyle obtained his Certified Public Accountant licensure in March 2014 and continues to advance his technical knowledge through participation in periodic workshops through organizations such as CASBO, CalCPA, and AICPA.

When he can escape the hustle and bustle of public accounting, Kyle loves to spend time in the great outdoors with his family. He is passionate about the game of golf, and also enjoys camping, mountain biking, and playing softball.



**President, Christy White, CPA, CFE** has served hundreds of school districts and charter schools as an auditor, school finance consultant, professional author and trainer.

*"Auditing isn't just about verifying the accuracy of the books, it's about understanding my client's educational organization and providing added value service. With great pleasure, I have traveled throughout California and work side-by-side with school business leaders for over 30 years. I love listening and collaborating with my clients on workable solutions to their challenges."*

Christy provides audit and financial consulting in areas of organizational structure, internal controls, school district reorganization, attendance accounting, forensic and fraud audits; in addition to developing and conducting six workshop series throughout the State. Christy received a Best Volunteer Trainer award from the California Society of CPA's Education Foundation.



STATEMENT OF QUALIFICATIONS OF CHRISTY WHITE, INC., CONT'D

4. STAFF QUALIFICATIONS, CONT'D

RESUMES OF CHRISTY WHITE, INC.'S ASSIGNED AUDIT TEAM, CONT'D



**Senior Director, Sarah Palafox** pioneered our Northern California office in the summer of 2012, building the number of clients and adding professional staff steadily ever since then. A San Diego native, Sarah has enjoyed putting roots down in the San Francisco Bay Area and growing Christy White's presence in the region. Sarah specializes in school district and not-for-profit auditing. She is a favorite among our clients due to her warm

personality and substantial expertise in LEA audit and accounting.

In addition to auditing, Sarah enjoys presenting and providing training both within the firm and to our clients. Need staff training in ASBs, attendance accounting, or governmental GAAP. Sarah is a terrific presenter and loves to share her knowledge. She recently provided training to prospective Chief Business Officials in the Association of California School Administrators (ACSA) certificate program, teaching governmental accounting topics.

Sarah holds a bachelor's degree in Business Administration and a minor in Dance from California State University San Marcos. Outside of work hours, she enjoys spending time with her husband and two pups exploring beautiful Sonoma County.



**Supervisor, Jesus Cardenas** is a first-generation college graduate who graduated in May 2019 from California State University Dominguez Hills with a Bachelor's Degree in Accounting. Working out of the Los Angeles office of Christy White, he has previous experience in governmental and non-profit accounting at Simpson & Simpson LLP and worked on the audit of Los Angeles Unified School District and non-profit

organizations. Jesus works in the audits of a wide array of local education agencies and his expertise has allowed him to achieve a well-rounded view of local education agencies in the areas of financial reporting, state, and federal compliance. He has over 2 years of experience in public accounting and leads audit engagements for various local education agencies throughout the state of California.

When Jesus isn't busy working, he enjoys going to the gym and spending time with his family and friends. He also loves traveling to new areas and trying out new restaurants.

STATEMENT OF QUALIFICATIONS OF CHRISTY WHITE, INC., CONT'D

4. STAFF QUALIFICATIONS, CONT'D

*RESUMES OF CHRISTY WHITE, INC.'S ASSIGNED AUDIT TEAM, CONT'D*



**Senior Accountant, Robert Contreras** graduated from San Francisco State University in December 2021 with a Bachelor of Science in Business Administration: Concentration in Accounting. Robert has assisted with numerous audit services in the Northern California Area. At Christy White, Robert has gained significant experience auditing state compliance and preparing financial statements for K-12 Local Education Agencies, County Offices of Education, Charter Schools, and First 5 California. Robert is known for being self-motivated with a strong desire to remain at the forefront of the newest and most efficient ways to make sure compliance in our education system is consistently met.

During his time off from work, Robert enjoys exploring the Bay Area and all it has to offer. Robert is a foodie; he often tries exciting new restaurants and always knows the best spots to eat and drink. He often travels with his partner and two dogs, Scout and Atticus.



**Staff Accountant Heysell Vargas** attended California State University, Los Angeles, and obtained a Bachelor of Science degree in Business Administration with an emphasis in Accounting. Prior to joining Christy White in July 2021, Heysell worked in positions involving tax and bookkeeping. Heysell is currently gaining experience in K-12, charter schools and not-for-profit organization audits – including various areas of state compliance.

Heysell is currently working on obtaining her CPA license and is a participant in Christy White Associates' in-house training sessions for audit staff members.

**PROPOSAL FOR INDEPENDENT AUDIT FOR FIRST 5 MONTEREY COUNTY**

---

**STATEMENT OF QUALIFICATIONS OF CHRISTY WHITE, INC., CONT'D**

**5. REFERENCES**

Below are references for our other First 5 Clients. We are happy to provide references for any of our clients upon request.

**First 5 Trinity County**

Name of Entity: **First Five Trinity County**  
Contact Person: Suzi Kochems, Executive Director  
Address: P.O Box 1362  
Weaverville, CA 96093  
Phone No.: 530-228-7811  
Email: [skochems@trinitycounty.org](mailto:skochems@trinitycounty.org)  
Number of Years Using CWA's Services: 2017-18 to present

**First Five Humboldt County**

Name of Entity: **First Five Humboldt County**  
Contact Person: Mary Ann Hansen, Executive Director  
Address: 525 Second Street, Ste. 202  
Eureka, CA 95501  
Phone No.: (707) 445-7389  
Email: [mhansen@co.humboldt.ca.us](mailto:mhansen@co.humboldt.ca.us)  
Number of Years Using CWA's Services: 2014-15 to present

**First Five Glenn County**

Name of Entity: **First Five Glenn County**  
Contact Person: Patricia Loera, Executive Director  
Address: 1035 West Wood Street  
Willows, CA 95988  
Phone No.: 530-934-6885  
Fax No.: 530-934-6149  
Email: [ploera@glenncoe.org](mailto:ploera@glenncoe.org)  
Number of Years Using CWA's Services: 2012-13 to present

STATEMENT OF QUALIFICATIONS OF CHRISTY WHITE, INC., CONT'D

**6. UNDERSTANDING OF THE WORK TO BE PERFORMED**

The scope of auditing services provided includes the **Annual Financial Statements** of First 5 Monterey County and Compliance with State Audit Requirements for the fiscal year ending June 30, 2023 through 2025.

The purpose of the financial audits is to render the following opinions and reports:

**Comprehensive Financial Statement Audit**

- Auditor's Opinion on the Comprehensive Financial Statements
- Auditor's Report on Internal Controls
- Auditor's Report on State Compliance Requirements
- Supplemental Information
- Auditor's Report on Supplemental Information
- Current Year Findings and Recommendations
- Status Report on Prior-Year's Findings and Recommendations

CW has long taken a risk-based audit approach in our audits of LEAs for audit effectiveness and efficiency. We will perform our **Audit Risk Assessment** to include, at a minimum:

- Overall Internal control structure; precisely controls over electronic data processing systems, cash collections, cash disbursements, maintenance and operations and segregation of duties
- Compliance with Education Code, and State Compliance
- Capitalization and depreciation of assets

For each engagement performed, we conduct a thorough **Understanding of Internal Control Systems**, assess control risk, and suggest improvements to our clients. CW is well versed in the Risk-based Assessment Standards and will incorporate these requirements into our audit programs.

Areas of **Internal Control** typically evaluated for our clients, as applicable, include:

- Cash receipting
- Purchasing and accounts payable
- Personnel requisitions/terminations and payroll processing
- Information systems security and backup

STATEMENT OF QUALIFICATIONS OF CHRISTY WHITE, INC., CONT'D

6. UNDERSTANDING OF THE WORK TO BE PERFORMED, CONT'D

***OUR APPROACH TO FRAUD RISK AND TESTING***

CW plans audit procedures to ensure that the financial statements and compliance areas are materially free of errors and irregularities (i.e., fraud). In doing this, we consider the audit risk of each significant transaction and group of transactions and design tests to ensure the transactions are free of material errors and irregularities. Our procedures meet the fraud risk and testing requirements of the clarified Statements on Auditing Standards (SAS).

If fraud is suspected or detected in the preparation of financial statements or the misappropriation of assets, CW is experienced to bring the matter to the attention of the appropriate level in the organization. You can then take prompt action and prevent further instances from occurring as quickly as possible. We are also skilled in fraud investigations should the need arise.

***MANAGEMENT DISCUSSIONS AND LETTERS***

Christy White, Inc. (CW) believes the purpose of a quality audit is to provide management with feedback on the effectiveness of the internal control structure, including the data processing systems. We will report all reportable conditions and discuss potential audit findings, observed good fiscal practices, and then recommend ways to enhance the overall effectiveness and efficiency of the organization as a whole.

We will issue our final management letter after thoroughly discussing each finding with management and incorporating the district's response. The audit findings will meet *Government Auditing Standards* and standards established by the State Controller's Office.

***PLANNING AND EXIT CONFERENCE MEETINGS***

CW works closely with district management at various stages during the audit cycle. We will organize both group and one-on-one meetings with individuals such as the Business Manager, the Executive Director, and a Commission representative.

- Audit Planning Entrance Call: During our planning phase, we discuss our proposed audit timelines, deliverables, and ask for input on areas deemed "new or high risk."
- Exit Conferences: After fieldwork, we will meet with you to discuss the results of our audit work and preliminary findings, if any. We do not want you to experience "audit surprises." Timely communication is the key to a surprise free audit.
- Review of Draft Audit Reports: Upon the conclusion of the audit, we provide you with a draft report (which we are happy to review with you), our findings, and management's response.

We are also available to meet with you on an ad hoc basis if an issue or question arises.

STATEMENT OF QUALIFICATIONS OF CHRISTY WHITE, INC., CONT'D

**7. GENERAL AUDITING APPROACH**

By following the professional standards prescribed by **Generally Accepted Auditing Standards (GAAS) and Government Auditing Standards**, we are confident that we are meeting our professional standards for the industry. We will conduct the audit to meet procedures required of:

- First 5 California Children and Families Program Audit Guide, as published by the State Controller's Office

Being a leading CPA firm in the LEA industry, we have experience working with State, and Federal agencies in the development of the K-12 audit guide, client resolution of findings, researching laws and regulations and aiding on sensitive client situations further elaborate on our **Audit Project Plan**, below are the three stages of the audit process

**THREE STAGE AUDIT PLAN**

Stage 1 – Planning and Risk Assessment

Stage 2 – Fieldwork: Internal Controls Evaluation, Compliance Testing, and Financial Statement Substantive Testing

Stage 3 – Drafting and Finalization of Financial Statements

**Stage 1 – Planning and Risk Assessment**

We will confer with personnel to discuss our plan to commence the audit. We hold an entrance conference call with representatives from the Commission, Executive Director, Business/Finance office, and other department heads to discuss risk, concerns, expectations, and audit protocol. Our planning activities include:

- Reviewing and updating our understanding of the Commission
- Identification of critical audit areas, plus changes to compliance areas
- Performing preliminary risk assessments
- Establishing an audit timeline
- Compiling data request lists
- Establishing agreed-upon deadlines

CW plans audit procedures to ensure that the financial statements and compliance areas are materially free of errors and irregularities (i.e., fraud). In doing this, we consider the audit risk of each significant account (e.g., cash, capital assets, accounts payable and debt) and transaction group (e.g., payroll, cash disbursements, and cash receipts).

Upon assessing audit risk, we then design audit tests to meet the overall objective that the financial statements and compliance areas are free of material errors and irregularities, under the clarified Statements on Auditing Standards (SAS).

STATEMENT OF QUALIFICATIONS OF CHRISTY WHITE, INC., CONT'D

**7. GENERAL AUDITING APPROACH, CONT'D**

**Stage 2 – Fieldwork: Internal Controls Evaluation, Compliance Testing, and Financial Statement Substantive Testing**

CW will gain an understanding of the internal control structure of the Commission for financial accounting and compliance over state programs. We also evaluate electronic data, including general and application controls over financial reporting and compliance with laws and regulations.

We develop our substantive testing by utilizing the results of our internal control testing and risk assessments. As in all stages of the audit, we will be in communication with the Commission to permit timely resolution of any issues found. We will hold an exit conference with the Commission to summarize the results of our fieldwork and review significant findings.

**Stage 3 – Drafting and Finalization of Financial Statements**

CW will draft the financial statements and provide the draft and any adjusting entries to the Commission for review and approval. Reports to management will include written reports, and discussions will be held with management and the Commission.

STATEMENT OF QUALIFICATIONS OF CHRISTY WHITE, INC., CONT'D

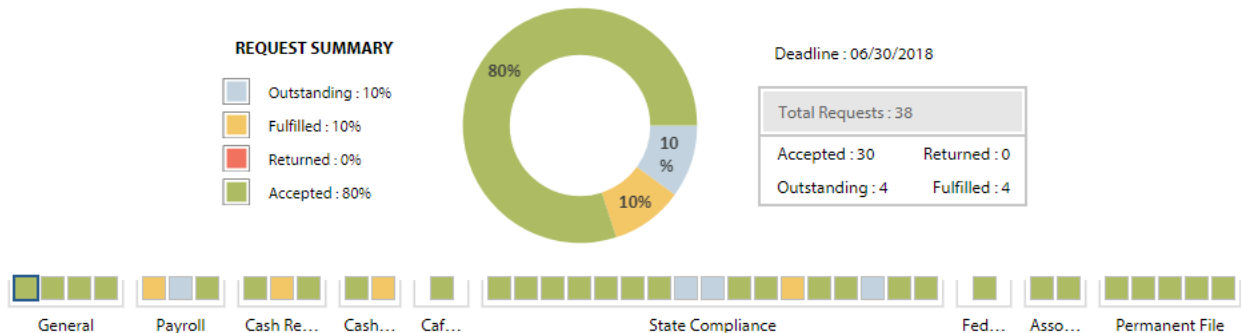
8. LEVEL AND NATURE OF SUPPORT REQUIRED

We conduct our audit through a combination of off-site and on-site work. We are entirely paperless and have a client portal for ease of document transmission. As such, we can make sample selections in advance of our fieldwork and conduct specific audit tests right from our office. During the days of on-site testing, we request our clients provide sufficient office space close to the accounting department and access to office equipment (e.g. copiers, phones, and scanners). We would also ask that the accounting staff be generally available to answer questions and pull sampled documents throughout the course of the audit.

**SECURED PORTAL TO UPLOAD YOUR RECORDS WITH EASE**

Christy White, Inc. uses a secure portal for seamless document-request coordination. Using the portal means all our requests are in one place, accessible by everyone assigned, and updated in real-time. Some of the key elements are summarized below:

- **Portal Dashboard:** The dashboard provides a real-time snapshot of the audit progress by indicating the number of outstanding, fulfilled, returned, and accepted items in a color-coded and easy to understand interface
- **Security:** Our portal boasts state of the art security in which all data is stored and transferred with AES 256-bit encryption and servers are housed in SSAE16 Type II SOC1, SOC2 data centers with daily fail-safe backups
- **Drag and Drop Functionality:** To upload documents to the portal, drag and drop the file(s) from your computer to the requested item in the portal at which time the status will be automatically changed from outstanding to fulfilled
- **Email Notifications:** Receive summary email notifications based on your timing preference (ex. daily, weekly, morning, afternoon, etc.), which provides activity updates for the engagement (ex. when files are uploaded/downloaded, or the status of an item has been changed)





**PROPOSAL FOR INDEPENDENT AUDIT FOR FIRST 5 MONTEREY COUNTY**

**STATEMENT OF QUALIFICATIONS OF CHRISTY WHITE, INC., CONT'D**

**9. SCHEDULE OF AUDIT WORK**

The following is an estimate of the audit and tax work to be conducted each month. The final schedule would be arranged based on the planning meeting that CW holds with you and your stakeholders.

<b>Month</b>	<b>Proposed Work</b>	<b>Percentage of Work Done</b>
August – September	Audit planning, test of internal controls, state compliance, and year-end fieldwork (depending on when books are closed)	70%
October – November	Reports drafted, reviewed, and finalized	25%
November 1	Final audit reports distributed	5%
<b>Total</b>		<b>100%</b>

Before each phase of the audit, we will discuss with you the upcoming work, provide weekly progress reports, and conduct an exit conference. The exit conference will provide you with the preliminary results of the recent work, recommendations, and list any outstanding audit items.

A detailed work plan of estimated hours by significant audit area is shown:

**Estimated Audit Hours - District Audit**

<b>Audit Work Segment</b>	<b>Staff Level Assigned</b>	<b>Estimated Hours of Completion</b>	<b>Audit Work Segment</b>	<b>Staff Level Assigned</b>	<b>Estimated Hours of Completion</b>
<b>Planning</b>			<b>Substantive Testing</b>		
Planning	Partner/Director	6	Accounts Payable	Supervisor/Experienced Staff	9
Supervision and Quality Control Review	Partner/Director	5	Accounts Receivable	Supervisor/Experienced Staff	9
Fraud Risk Assessment	All Levels	2	Cash and Investments	Supervisor/Experienced Staff	5
Internal Controls	Supervisor	4	Revenues	Supervisor/Experienced Staff	9
<b>Meetings</b>			Capital Assets	Partner/Director	2
Entrance/Exit Conference/Board		8	Expenditures	Supervisor/Experienced Staff	7
<b>Transaction Testing</b>			<b>Report Preparation and Review</b>		
Cash Disbursements	Supervisor/Experienced Staff	6	Audit Reports, Review and Opinions	Partner/Director	20
Payroll	Supervisor/Experienced Staff	5	Clerical	Administrative Staff	5
Cash Receipts	Supervisor/Experienced Staff	5	<b>State Compliance Testing</b>		
Journal Entries	Supervisor/Experienced Staff	3	Compliance Areas	Experienced Staff	12
			<b>Total Estimated District Audit Hours</b>		<b>122</b>

STATEMENT OF QUALIFICATIONS OF CHRISTY WHITE, INC., CONT'D

10. LICENSES AND INSURANCES

Yes, **we meet all general requirements that are required of a qualified audit firm!**

- ✓ CW is an **equal opportunity employer**. We do not discriminate based on race, ethnicity, age, or religion. We comply 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.
- ✓ CW has **errors and omissions insurance** and will indemnify and hold harmless the Commission from and against all losses and claims in the execution of our work or the consequences of any negligence or carelessness on our part. We are also fully insured with workers' compensation. See appendix for insurance certificates.
- ✓ CW **provides all labor, materials, transportation, and services** for the work described and specified in our proposal.
- ✓ CW agrees to **offer our bid for a period of sixty (60) days** after opening.
- ✓ **No bill or claim for extra work** or materials shall be allowed or paid unless the doing of such extra work or the furnishing of such extra materials shall have been authorized in writing by the Commission.
- ✓ CW shall **indemnify and hold harmless the Commission** from and against all losses and all claims, demands, payments, suits, actions, recoveries, and judgments, or every nature and description brought or recovered by it, by reason of any act or omission, of the said proposer, his agents or employees, in the execution of the work or consequences of any negligence or carelessness regarding the same.

CW has a standing record of performing quality audits. Our clients and the State Controller's Office have accepted all of our audit reports. Additionally, we have not and are not involved in litigation, or any investigation by a state, federal, or professional agency.

**PROPOSAL FOR INDEPENDENT AUDIT FOR FIRST 5 MONTEREY COUNTY**

**AUDITORS' PROPOSED FEES**

Christy White, Inc. respectfully submits the enclosed proposal for auditing services to First 5 Monterey County. Our fees are all-inclusive and will not change unless the scope of the engagement changes significantly, in which case we will mutually agree to the scope changes and corresponding fees. There are no additional fees for travel or incidentals.

**Fixed Fee and Free Advisory Services**

The proposed fees are fixed for the scope described and are on a “not to exceed” basis as follows. Our maximum fees show below are all-inclusive of all costs, including essential travel. We do not bill for advisory services that are related to the audit or an application of accounting standards. We encourage our clients to contact us at any time year-round for free advice on general finance and accounting issues.

The proposed fees for a four-year contract are as follows:

**First 5 Monterey County  
Annual Independent Audit - Proposed Fees**

<b>Annual Audit Services</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>
Financial Statements Audit and Advisory Services	\$ 20,000	\$ 20,800	\$ 21,632	\$ 22,497
Any Supplemental Start Up Fee (First Year Only)	\$ -	\$ -	\$ -	\$ -
<i>Total Annual Fee</i>	<u>\$ 20,000</u>	<u>\$ 20,800</u>	<u>\$ 21,632</u>	<u>\$ 22,497</u>

We look forward to the opportunity to work with the First 5 Monterey County. Please do not hesitate to contact us with any questions or to arrange an interview. Thank you!

Name of Accounting Firm: Christy White Inc.

Authorized By: Christy White Brook  
Name: Christy White Brook, CPA, CFE  
Title: President  
Date: December 08, 2023



---

## APPENDICES

---



---

**W-9**

---

# Request for Taxpayer Identification Number and Certification

**Give Form to the  
 requester. Do not  
 send to the IRS.**

▶ Go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9) for instructions and the latest information.

<b>Print or type.</b> See Specific Instructions on page 3.	<b>1</b> Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. <u>Christy White Accountancy Corporation</u>		
	<b>2</b> Business name/disregarded entity name, if different from above <u>Christy White, Inc, Christy White Associates, CharterWise</u>		
	<b>3</b> Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only <b>one</b> of the following seven boxes.		
	<input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> C Corporation <input checked="" type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate		
	<input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____ <b>Note:</b> Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is <b>not</b> disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.		
	<input type="checkbox"/> Other (see instructions) ▶ _____		
	<b>4</b> Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):		Exempt payee code (if any) _____
		Exemption from FATCA reporting code (if any) _____	
		<small>(Applies to accounts maintained outside the U.S.)</small>	
<b>5</b> Address (number, street, and apt. or suite no.) See instructions. <u>348 Olive Street</u>		Requester's name and address (optional)	
<b>6</b> City, state, and ZIP code <u>San Diego, CA 92103</u>			
<b>7</b> List account number(s) here (optional)			

**Part I Taxpayer Identification Number (TIN)**

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

**Note:** If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

<b>Social security number</b>									
<b>or</b>									
<b>Employer identification number</b>									
2	7	-	2	9	5	6	1	9	8

**Part II Certification**

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

<b>Sign Here</b>	Signature of U.S. person ▶ <u>Christy White</u>	Date ▶ <u>5/22/2023</u>
------------------	---	-------------------------

**General Instructions**

Section references are to the Internal Revenue Code unless otherwise noted.

**Future developments.** For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9).

**Purpose of Form**

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

*If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.*



---

**INSURANCE CERTIFICATES**

---



**CAMICO MUTUAL INSURANCE COMPANY  
DECLARATIONS  
ACCOUNTANTS PROFESSIONAL LIABILITY INSURANCE POLICY**

Policy Number: CAL108463-13

Effective Date: 8/1/2023 at 12:01 A.M. Standard time at the address shown below  
Expiration Date: 8/1/2024 at 12:01 A.M. Standard time at the address shown below  
*Retroactive Date:* 8/1/2010

Item 1 - *Named Insured:* Christy White Associates

Item 2 - Business Address: 348 Olive St  
San Diego, CA 92103

Item 3 - Limits of Liability: \$1,000,000 Per *Claim*  
\$3,000,000 Policy Aggregate

Item 4 - Deductibles: \$10,000 Per *Claim* Deductible

Item 5 - Total Premium: \$48,441.00

Item 6 - The policy consists of this Declarations page, and the following policy forms and endorsements:

PL-1000-A	07/14	Accountants Professional Liability Insurance Policy
PL-2001-A (CA)	11/21	State Endorsement - California
PL-1007-A	07/14	Exclusion - Claims Following Insured's Suit for Fees
PL-1034-A	07/14	Excluded Entities
PL-1049-A	07/14	Privacy and Client Network Damage Endorsement
PL-1056-A	06/16	Multiple Claims and Related Acts, Errors and Omissions Amendment
PL-1059-A	11/21	CyberCPA Endorsement
PL-1060-A	11/21	Sanctions Limitation and Exclusion

**PLEASE READ THESE DECLARATIONS, THE POLICY AND ENDORSEMENTS CAREFULLY.**

**CAMICO Mutual Insurance Company**

\_\_\_\_\_  
Authorized Representative











---

**QUALITY CONTROL PEER REVIEW OPINION**

---

# Grant Bennett Associates

A PROFESSIONAL CORPORATION

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

February 26, 2021

To Christy White Associates, Inc. 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 Christy White Associates, Inc. (the firm) in effect for the year ended December 31, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

### Firm's Responsibility

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

### Peer Reviewer's Responsibility

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

### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including 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 Christy White Associates, Inc. in effect for the year ended December 31, 2019, 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*. Christy White Associates, Inc. has received a peer review rating of *pass*.

*Grant Bennett Associates*

GRANT BENNETT ASSOCIATES  
A PROFESSIONAL CORPORATION  
Certified Public Accountants



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

1375 Exposition Boulevard, Suite 230  
Sacramento, CA 95815  
916/922-5109 FAX 916/641-5200

P.O. Box 223096  
Princeville, HI 96722  
888/769-7323



**Monterey County Children and Families Commission**

**Request for Proposal to Perform  
Auditing Services**

*December 8, 2023*

**Submitted:**

**Hudson Henderson &  
Company, Inc.**  
7473 N. Ingram, Suite 102  
Fresno, California 93711  
[www.hccpas.com](http://www.hccpas.com)

**Contact:**

**Kip Hudson, CPA, Principal**  
Phone: (559) 475-8910  
Fax: (559) 475-8901  
[khudson@hccpas.com](mailto:khudson@hccpas.com)





**TABLE OF CONTENTS**

	<u>Page</u>
Letter of Transmittal .....	1
Firm Qualification and Experience .....	3
References .....	5
Audit Approach to the Engagement.....	6
Insurance .....	9
Cost Proposal .....	10
Conclusion.....	10
Appendix I: Resumes of Key Personnel .....	11
Appendix II: Peer Review Report.....	15



***Letter of Transmittal***

December 8, 2023

First 5 Monterey County  
1125 Baldwin Street  
Salinas, CA 93906

Dear Audit Committee:

Hudson Henderson & Company, Inc. (HHC) is pleased to have the opportunity to respond to your request to perform financial audit services for First 5 Monterey County (F5MC) for the years ending June 30, 2024 through 2027. The objective of our audits is to issue opinions regarding the fairness of presentation of the financial position of F5MC in accordance with generally accepted accounting principles. These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the General Accounting Office's (GAO) *Government Auditing Standards* issued by the Comptroller General of the United States, the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act (First 5)*, issued by the State Controller's Office, and United States Office of Management and Budget (OMB) Uniform Guidance, if applicable.

Additionally, we will provide a management letter containing comments and recommendations regarding our review and evaluation of the systems of internal control and accounting procedures. This proposal will highlight the background of the partner and staff assigned to the engagement, summarize our experience with government entities and First 5 Commissions, and describe our approach to auditing the F5MC.

This proposal demonstrates our ability to render a quality examination and to perform the necessary accounting and auditing services requested by the F5MC on a timely basis.

We are committed to performing the required work, completing the audits, and issuing the necessary auditors' reports prior to the F5MC's published time frames and commit to you that we will have the time and resources available to complete field work in sufficient time to prepare and file the Commission's Annual Report to the State First 5 without extension. We will also be responsive to the needs of the F5MC year-round, not just at audit time.

We believe we are the best qualified to perform the audit because our audit staff includes individuals well versed in governmental auditing and are very familiar with auditing First 5 Commissions. With several previous years' experience of working with Commissions throughout California and with F5MC, we can bring our knowledge and expertise to the F5MC to assist in performing a high-quality audit in a highly efficient manner.

As an accounting firm specializing in auditing governmental entities, including First 5 Commissions, we comprehend the operational environment of F5MC. We are dedicated to delivering a high-quality product that aligns with F5MC's requirements. We view F5MC as a valued client, and we are eager to contribute to your continued success and impact on your local community.

7473 N. INGRAM AVE., SUITE 102 • FRESNO, CA 93711

P (559) 475-8910 • F (559) 475-8901 • WWW.HHCCPAS.COM



I will be the engagement partner assigned to your audit. I am an authorized representative of the firm and can be contacted at 7473 N. Ingram, Suite 102, Fresno, California 93711, by telephone at (559) 475-8910, or email at khudson@hhccpas.com.

This proposal is a firm and irrevocable offer for 60 days.

We are confident that you will find our firm offers the required expertise, technical knowledge, and business understanding to perform an audit of F5MC. Our experience provides us with a thorough understanding of the needs and requirements of F5MC, as well as the technical knowledge to perform such services in accordance with the accounting and auditing guidelines as published by the various authoritative entities.

We welcome your inquiries and look forward to further discussions with you.

Sincerely,  
HHC, INC.

A handwritten signature in black ink, appearing to read "Kip Hudson". The signature is stylized and cursive.

By: Kip Hudson, CPA  
Principal



## FIRM QUALIFICATION AND EXPERIENCE

HHC, Inc., established in 2014, is a leading public accounting firm with an extensive knowledge base of the industry. The founding partners gained their experience working in large regional accounting firms and had a vision of providing clients with the best of both worlds - the quality and depth of knowledge typically found in larger accounting firms, combined with the personal relationships and attention that smaller, local firms excel in. The primary focus of HHC, Inc. is to enhance the relationship and service provided to their clients.

HHC, Inc. operates as a full-service public accounting firm, offering a comprehensive range of services that encompass assurance, tax, and bookkeeping. The firm excels in governmental and non-profit auditing, with a particular specialization in providing assurance services to special districts and smaller local governmental agencies, as well as non-profit organizations.

In the realm of tax services, HHC, Inc. provides outstanding compliance, planning, and preparation services to a diverse clientele, which includes individuals, partnerships, corporations, trusts, and not-for-profit entities. Their services extend to IRS, FTB, and other tax representation, ensuring their clients receive comprehensive tax support.

HHC, Inc. is also proud to be active members of the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants, underlining their commitment to maintaining the highest standards of professional excellence and ethical practice in the field of public accounting.

HHC provides financial and compliance auditing services to governmental and non-profit agencies throughout the Central Valley and throughout California. We are a governmental and non-profit agency auditing firm and our professionals have been performing these services for many years. As a result, we have performed financial and compliance audits on most, if not all, types of governmental and non-profit agencies and operations including:

- Cities
- Counties
- Federal and State Grants
- Childcare Operations
- Electrical Utilities
- Special Districts
- Water Districts
- First 5 Commissions
- Economic Development Agencies
- 501(c)(3)
- 501(c)(6)
- Foster Family Agencies
- Adoption Agencies
- Pension Plans
- Trade Councils
- Schools & Tutoring Agencies

In addition, a large portion of our experience in municipal and non-profit auditing included clients that required a Single Audit also be conducted.

We perform our audits in a detailed manner utilizing approaches developed internally that comply with the authoritative literature currently issued by the AICPA, GASB, FASB, GAO, Uniform Guidance, and the California State Controller's Office. And we do this with minimal disruption to our clients and within the time frame required.

HHC has policies and procedures to ensure it hires only qualified people, that it properly supervises them and provides professional training, that it advances them to responsibilities they are capable of handling, and that it provides them with necessary technical resources.

## 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.



## PEER REVIEW

Here at HHC, we strongly believe in the Peer Review Program, and the strength and accountability the program brings to the public accounting field, especially in the realm of performing quality audits in accordance with standards governing our field and the industries we serve. Our 2022 peer review has been completed and published, with a rating of *pass*. See Appendix II for a copy of the report. No federal or state desk reviews or field reviews have been undertaken of any audits performed by the Firm or any of its partners or professionals.

## STAFF QUALIFICATIONS

**Engagement Partner:** The Engagement Partner will be Mr. Kip Hudson, CPA. Mr. Hudson has over fifteen (15) years of governmental and non-profit audit and tax experience and he is also one of the co-founding Partners of HHC. Prior to founding HHC, Kip gained his background working at Baker Peterson & Franklin (now Moss Adams), the largest accounting firm in Fresno, CA. He will be responsible for the conduct of fieldwork and the examination and review of the workpapers. He will be charged with the responsibility of keeping the client informed as to the status of the examination. Mr. Hudson is licensed as a CPA in the State of California and his CPA license number is 112668.

**Engagement Senior:** The Engagement Senior will be Mr. Gilberto Vazquez. Mr. Vazquez has five years of governmental and non-profit audit and accounting experience and will be one of the key members of the audit. He will be responsible for the day-to-day oversight and supervision of the staff accountants and conduct of fieldwork. He will also be completing much of the detailed audit work performed throughout the engagements.

Appendix I of this proposal contains resumes for these audit team leaders detailing their auditing experience, continuing education, and membership in professional organizations relevant to the performance of your audit. Our firm policy is to maintain staffing continuity for all audits. In the unlikely event that key team members must be replaced, we will only do so with your permission. Any staff replacements during the term of the agreement will have the same or better qualifications and experience as the staff which they replace.

The quality of the staff over the term of the agreement will be assured because of our participation in excellent audit and accounting continuing education classes, and our unexcelled on-the-job training. All members of HHC are very familiar with the stringent quality control standards established by the AICPA.

## CONTINUING PROFESSIONAL EDUCATION

HHC is committed to quality training and technical proficiency. With such a large segment of the practice dedicated to attestation services, including financial and compliance audits, professional training and education in standards and regulations applicable to auditing and financial reporting are of the utmost importance. Firm standards meet or exceed professional and governmental standards of training and involve professional staff receiving at least forty hours of professional continuing education each year. This emphasis on continuing education is served in several ways. During the year and prior three years, the professional staff attend various educational sessions sponsored by the AICPA and California State Society of CPAs, as considered appropriate for the level and need of the individual. These classes include, among others:

- Governmental Financial Reporting Standards and Practices.
- Non-Profit Auditing & Accounting Update.
- Yellow Book: Government Auditing Standards.
- Single Audit.
- Financial Accounting Standards: Comprehensive Review.
- Governmental Auditing & Accounting Update.
- Comprehensive Review of Generally Accepted Auditing Standards.



## REFERENCES

Located in Fresno, CA HHC was formed to service a variety of local governments and non-profit entities in the Central Valley, as well as throughout California. Names and phone numbers of current clients are provided for your inquiries. We encourage you to contact these individuals to obtain information on the quality of the audit and accounting services provided.

In addition to the extensive background and history in providing auditing and accounting services to local governmental and non-profit entities, HHC also audited numerous pension plans, 401(k) and 403(b) plans, child development and nutrition programs, redevelopment agencies, school districts, public authorities, transportation authorities, special districts, water districts, joint power authorities and has also performed numerous compliance audits in accordance with the Single Audit Act and other special projects. Additionally, HHC has significant experience in for profit entities and AUP engagements.

A partial listing of current clients audited by HHC is as follows:

- 1) Angie Dillon-Shore, Executive Director  
**First 5 Sonoma County**  
5340 Skylane Boulevard  
Santa Rosa, CA 95403  
(707) 522-2019  
Adillonshore@first5sonomacounty.org
  
- 2) Monica Ramirez, Executive Director  
**First 5 Madera County**  
525 E. Yosemite Ave.  
Madera, CA 93638  
(559) 661-5155  
mramirez@first5madera.org
  
- 3) Clarrisa Ravelo  
**First 5 Kings County**  
330 Campus Dr.  
Hanford, CA 93230  
(559)585-0814  
Clarrissa.ravelo@co.kings.ca.us



## AUDIT APPROACH TO THE ENGAGEMENT

We will perform a financial audit in accordance with generally accepted accounting principles and render all applicable opinions and reports.

We will perform the following:

- Express an opinion on the fair presentation of the basic financial statements of the F5MC in conformity with generally accepted accounting principles in the United States of America.
- Perform the audit in accordance with generally accepted auditing standards accepted in the United States of America, and all other applicable federal, state, local or programmatic audit requirements.
- Aid the F5MC as needed throughout the year, with no additional hourly costs, unless extensive time was needed to complete any inquiries or additional engagement procedures, in which we would agree on a mutual cost using the hourly rates as listed in the cost proposal below.
- Present the audited financial statements to the F5MC's Personnel and Finance Committee and the Commission.
- File the audit report with both the State Controller's Office and the First 5 California offices by November 1.
- Retain all working papers and reports at the firm's expense for a minimum of 7 years. In addition, we will make working papers available to the F5MC and/or any agency as appropriate.

Should any conditions be discovered requiring corrective action, the Firm will provide a detailed description of the findings and recommended actions as to their resolution.

The Firm will submit a report to the Board of Directors and management detailing the auditor's responsibility under generally accepted auditing standards, significant accounting policies, management judgments and accounting statements, significant audit adjustments, other information in documents containing audited financial statements, disagreements with management, management consultations with other accountants, major issues discussed with management prior to retention, difficulties encountered during the audit, and any significant deficiencies or material weaknesses found during the audit. Non-material instances of noncompliance will be reported in a separate management letter, if appropriate, along with any other observations or recommendations determined to be informative to the F5MC management.

## AUDIT APPROACH

Our overall approach is simple and follows the core values of our firm. We want to be efficient in our procedures and time, to eliminate redundancies and to ease the process and completion of the audits for our clients. We put great effort and time into planning and preparing for audits. We look for ways to efficiently perform tests and we follow our risk-based planning approach to properly perform audits, without performing excess or non-useful testing.

A large portion of our audits are performed by the senior members of the firm. Using their experience and knowledge gained over the years, there is no on-the-job training of new staff by the client while performing your audit or major turnover in the audit team from year-to-year.

Our evaluation of internal controls consists of concise interviews, so that we can quickly determine the areas for control and substantive testing, but also and most importantly to gain a solid understanding of our clients and how they operate. We look for ways to improve processes and procedures, so that we can consult with our clients and help them become more efficient and effective in their methods as well.

One of our core values is accountability. We take this very seriously, and when deadlines are set, we make sure they are met. Meeting the expectations and deadlines of our clients is one of the major keys to our success.

The engagement will be conducted within the framework of the Firm's quality control program which includes the use of audit programs, careful planning, use of computerized audit software and internal control evaluation and documentation software, and objective review procedures.



We will conduct the necessary audit steps to perform:

- Planning of the engagement, including evaluation of the existing internal control environment to determine the degree of risk of material misstatement.
- Determination of the degree of compliance with laws, regulations, grants, provisions, and the F5MC approved policies.
- Assessment of potential fraudulent issues.
- Substantiation of account balances.
- Verification of reasonableness of management estimates.

The audit approach will consist of three phases, with estimated hours as follows to meet the deadlines:

- Initial Planning & Intro Meeting (*May*)
- Planning & Interim Fieldwork (*July/August, may be combined with year-end fieldwork at F5MC's request*)
- Year-End Fieldwork (*August – 4-5 days*)
- Reporting
  - o *Draft Audit Reports – August 30*
  - o *Final Audit Reports – September 6*

<b>Audit Hours by Proposed Segments</b>					
<b>Segment</b>	<b>Partner</b>	<b>Senior Staff</b>	<b>Professional Staff</b>	<b>Clerical</b>	<b>Total Hours</b>
Planning	2	8	16	-	<b>26</b>
Fieldwork	8	20	48	-	<b>76</b>
Final Reports	6	8	6	2	<b>22</b>
<b>Total Hours</b>	<b>16</b>	<b>36</b>	<b>70</b>	<b>2</b>	<b>124</b>

Planning, Understanding and Communication

We will begin the planning of the examination upon execution of an agreement. Based on our previous audit experience, using the budget, organizational charts, manuals and other financial information systems and our knowledge of how non-profit organizations work, we will obtain an updated current insight to the specific concerns and sensitivities of the F5MC. Our understanding is updated continuously through our year-round contact and communication efforts.

We will agree on common audit objectives and expectations with management before audit work begins and, throughout the audit, will meet regularly with management to discuss audit issues and to gather feedback. Tasks to be accomplished during this phase include:

- Conference with management to discuss the scope of the examination, availability of your staff, scheduling, and coordination of our audit efforts with your efforts to produce the required financial reports.
- Conferences with all personnel involved in the engagement to discuss the scope and timing of the engagement, and anticipated areas of audit emphasis.
- Analytical review of year-to-date financial information.
- Inquiry of your predecessor auditor.

Study and Evaluation of Internal Controls and Systems

This is the cornerstone of the examination. Evaluating internal accounting controls is primarily focused on the procedures and records that are concerned with the safeguarding of assets and reliability of financial records. We have developed diagnostic reviews which enable us to evaluate your systems and controls, and to provide management with constructive feedback. Combined with our knowledge, understanding and experience with accounting software, our control review will form the basis of our audit risk assessment. We will utilize the COSO approach in our evaluation of F5MC's internal processes to identify potential control deficiencies. In future years, we will update our understanding through similar procedures.



We will begin by preparing documentation matrices to fully describe all significant financial systems. We will then review the documents to isolate the significant strengths and weaknesses that would affect the extent of substantive audit procedures to be employed. Each strength is then tested, and the results subjected to evaluation. These evaluations assist us in determining the amount of reliance we can place on those significant strengths we have identified. At this point we adjust our auditing plan to compensate for the significant strengths and weaknesses thus identified and substantiated.

Sample Size and Sampling Techniques (*Samples will be provided prior to start of fieldwork to allow ample time for staff to pull supporting documentation*)

Our audit approach may include sampling activities. Population size and the level of assurance to be derived from a particular test will dictate the sample size. We use sampling in our audit approach to complement skilled judgment and knowledge of the situation.

We look for efficiencies in testing a sample across multiple attributes to eliminate the need for multiple samples being pulled by your staff.

Risk-Based Audit Approach

Our audit approach is tailored to non-profit applications. We will use audit programs specifically designed to address the operational environment of non-profit entities. Our approach will identify potential control risks and the opportunities for risk of material misstatements and fraud. We will evaluate the various risk assessments and identify the potential risks relating to the basic financial statements of the F5MC. Our audit procedures will then be developed to address these risk areas.

Analytical Procedures

We use analytical procedures in several aspects of our audit. An extensive knowledge and industry background are required for effective analytics, and HHC staff possess the appropriate experience and knowledge for the F5MC to benefit from these procedures. We use detailed analytics including predictive tests, ratio analysis, annual trends, etc. to assist and often reduce the amount of vouching and substantive testing of balances.

Vouching of Balances & Substantive Fieldwork

Once our audit procedures are developed, the vouching of balances include tracing to supporting documentation, confirmation of balances with outside third parties, and performing substantive procedures over ending balances which ultimately support the conclusion that the financial statements are free of material misstatement will be performed.

We believe in performing quality analytical procedures, including comparison to prior years, predictive tests, ratio analysis, and inter-entity account analysis to determine the reasonableness of ending balances. Additional procedures include subsequent transaction testing of disbursements and receipts to assist in testing completeness and existence of balances and managements assertions. Expanded audit procedures are performed on high-risk areas, while analytics and limited procedures are performed on lower risk areas.

Transition

We understand that changing audit firms can be a difficult and time-consuming task. Our audit approach and focused testing on audit risks along with our experience allow for a smoother transition for the entity and less impact on your staff.

Information Technology

We will evaluate controls over the IT functions to assess control risk. We intend to test controls for the purpose of reliance. Our review procedures will evaluate controls over:

- Security Management
- Logical and Physical Access
- Configuration Management
- Segregation of Duties
- Contingency Planning



In addition, we will review controls over:

- Input, processing, output, master data
- Application interface
- Data management system interface

#### Laws & Regulations Subject to Audit Procedures

We continuously refer to specific regulations, compliance supplements, state guidelines and contracts currently in force. We perform the procedures required related to laws and regulations, using inquiries, observations, and sampling techniques.

#### Adjusting Journal Entries

We will discuss and explain proposed audit adjusting entries with the F5MC's designated finance personnel prior to recording to ensure all facts are obtained and agreed upon prior to moving forward with the adjustment. Audit adjusting entries will be provided in a format showing the lowest level of posting detail needed for data entry on the F5MC's general ledger system.

#### Computer Software

The firm maintains a variety of software packages to be used during the audit and in the financial statement compilation process, which include MS Office (Word, Excel, etc.), ProSystem Fx Engagement, PPC Checkpoint and Checkpoint Tools, and SMART e-practice aids tool. We also have the ability to run reports using IDEA (data analysis software), when needed.

Our audit software enables us to link our audit trial balance to the financial statements, which allows for efficient financial statement compilation. It also allows us to easily create analytical reports (e.g., year to year comparisons, budget to actual comparisons, trend analysis, ratio analysis, etc.) to identify any potential issues to be resolved during fieldwork.

Our research tools are always kept up to date to ensure compliance with accounting and auditing standards and are also a resource for us to provide guidance to our clients or research any complex accounting transactions. We are a paperless firm, which we believe greatly assists us in performing audits efficiently and effectively.

#### INSURANCE

Our firm currently carries professional liability insurance with limits per claim and in the aggregate of \$2,000,000/\$4,000,000, respectively. We also currently carry general liability insurance with limits per claim and in the aggregate of \$1,000,000/\$3,000,000, respectively, automobile liability insurance with a limit of \$1,000,000 and umbrella excess liability of \$1,000,000 per occurrence and in the aggregate.





**COST PROPOSAL**

The table below lists a summary of all projects and the total not-to-exceed costs to perform auditing services for F5MC for the years ending June 30, 2024 through 2027.

<u>Service</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>Total</u>
F5MC Audit	\$ 18,930	\$ 18,930	\$ 19,900	\$ 19,900	\$ 77,660
<b>Total</b>	<b>\$ 18,930</b>	<b>\$ 18,930</b>	<b>\$ 19,900</b>	<b>\$ 19,900</b>	<b>\$ 77,660</b>

The following table lists all project tasks, with proposed staff, detailing out the hours and hourly rate for each, plus project-related expenses for the year ending June 30, 2024.

Commission Audit

<u>Level of Personnel</u>	<u>Standard Rate</u>	<u>F5MC Quoted Rate</u>	<u>Billing Hours</u>	<u>Amount</u>
1 Partners	\$225	\$200	16	\$3,200
2 Senior Staff	\$175	\$160	36	\$5,760
3 Professional Staff	\$150	\$140	70	\$9,800
4 Clerical	\$60	\$60	2	\$120
Estimated Out of Pocket Expense				\$50
		<b>Total Hours</b>	<b>124</b>	
Commission Audit Proposal Price				<b>\$18,930</b>
		<b>Total Hours</b>	<b>124</b>	
		<b>TOTAL PRICE</b>		<b>18,930</b>

**CONCLUSION**

We are excited and welcome the opportunity to develop a long-term professional relationship with F5MC. We are committed to providing excellent service, providing advisory value-added benefits to F5MC, and producing a timely quality end-product. We would like to express our appreciation to the F5MC for allowing us the opportunity to submit a proposal for our services. We are available at any time to discuss our proposal with you. Thank you for allowing us to present our Firm to you.

**APPENDIX I: RESUMES OF**  
**KEY PERSONNEL**

**RESUMES OF KEY PERSONNEL**

Kip Hudson, CPA – Engagement Partner

Gilberto Vazquez – Engagement Senior

Professional Resume

**Kip Hudson, CPA**  
*Engagement Partner*

HHC, INC.  
*Certified Public Accountants*

Academic Background:

California State University Fresno  
Bachelor of Science in Business Administration, Option in Accountancy

Professional Experience:

(partial listing)

Governments:

Non-profits:

El Dorado Irrigation District	Madera Irrigation District	The Arc Fresno/Madera Counties
Fresno Metropolitan Flood Control District	East Turlock Subbasin GSA	Economic Development Corporation
Fresno Irrigation District	Stanislaus Council of Governments	Community Housing Council of Fresno
Sierra Kings Health Care District	Henry Miller Reclamation District #2131	Kings Community Action Organization
Alta Irrigation District	Eastside Water District	VDA, Inc.
Merced Irrigation District	First 5 Madera County	California Teaching Fellows Foundation
Kings County	Riverdale Public Utility District	Quality Group Homes, Inc.
First 5 Kings County	First 5 Sonoma County	
First 5 Fresno County	Merced County Association of Governments	

Businesses and Retirement Plans:

Mid Valley Disposal, Inc. 401k Plan	Fresno Irrigation District Retirement Plan
The Arc Fresno/Madera Counties 403b Plan	Central Valley Meat 401k Plan
Eye-Q Vision Care 401k Plan	Harris Enterprises 401k Plan
Harris Ranch Beef 401k Plan	Fresno Metropolitan Flood Control District

Professional Associations:

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

Recent Continuing Education:

Current on Governmental CPE Credits

Governmental and Nonprofit Annual Update  
Auditing & Assurance Update  
Spidell Tax Update  
Yellow Book  
FASB Review & Update  
Accounting and Auditing with Excel  
Advanced Audit Standards Workshop: Understanding Risk Assessment

Professional Resume

**Gilberto Vazquez**  
*Engagement Senior Accountant*

HHC, INC.  
*Certified Public Accountants*

Academic Background:

California State University Fresno  
Bachelor of Science in Business Administration, Option in Accountancy

Professional Experience: (partial listing)

Governments and Non-Profits:

Alta Irrigation District	Kings Community Action	Abrazo Foster Family Agency
Eastside Water District	Organization	Building Better Communities
East Turlock Subbasin GSA	Nancy Fuller Children's University	Foundation
First 5 Sonoma County	Opportunity Through Education, Inc.	California Teaching Fellows
First 5 Madera County	Resources for Independence Central	Foundation
Fresno Metropolitan Flood	Valley	Central Valley Opportunity
Control District	Valley Small Business Development	Center, Inc
Madera Irrigation District	Corporation	Economic Development Corp
Madera-Chowchilla Water &	Comprehensive Addiction Programs	Early Childhood Development
Power Authority	Fresno EOC	Centers
Merced Council of Governments	Transit Joint Powers Authority	Sierra Kings Health Care
Yosemite Area Regional	Measure V - Merced County	District
Transportation System	Merced County Regional Waste	Friant Water Authority

Professional Associations:

California Society of Certified Public Accountants

**APPENDIX II: PEER REVIEW REPORT**

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

September 23, 2022

To Hudson Henderson & Company, Inc. 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 Hudson Henderson & Company, Inc. (the firm) in effect for the year ended October 31, 2021. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

### Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control 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 and compliance with the firm's system of quality control 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 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 Hudson Henderson & Company, Inc. in effect for the year ended October 31, 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*. Hudson Henderson & Company, Inc. has received a peer review rating of *pass*.



GRANT BENNETT ASSOCIATES  
A PROFESSIONAL CORPORATION  
Certified Public Accountants



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

10850 Gold Center Drive, Suite 260  
Rancho Cordova, CA 95670  
916/922-5109 FAX 916/641-5200

1970 Broadway, Suite 260  
Oakland, CA 94612  
510/817-4886

Princeville, HI  
888/763-7323

Together as One. Grant Bennett Associates is a Member of the Alliott Global Alliance of independent professional firms.

### Auditor Selection Rating

Please review the proposals and the Summary Schedule and rate the bids on a scale of 1 to 3 (1 - did not meet most of the criteria; 2 - met some of the criteria; 3 - met all the criteria) on each of the items below. There is no need to add the numbers as they are illustrative to assist you in the final ranking requested below:

Firm	Christy White, Inc.	Brown Armstrong	Hudson Henderson and Company, Inc.	Rank (1 <sup>st</sup> , 2 <sup>nd</sup> , 3 <sup>rd</sup> ) Choice
				1 <sup>st</sup> Choice
Experience & Knowledge in:				_____
- Government Audits (Yellow Book)				_____
- First 5 Audits (Expanded Audit)				_____
Experience of Assigned Staff				2 <sup>nd</sup> Choice
Overall Proposal Response to Bid Request				_____
Able to Meet Timeline				_____
Cost				3 <sup>rd</sup> Choice
Other				_____
Comments				_____
				_____



Firm Name	Staff	Location	Gov Exp	First 5 Exp	Cost
Brown Armstrong Accountancy Corp	Ashley Green, Partner/Audit Manager Eric Xin, Technical Review Partner Lindsay Gentry, Engagement Manager Marlen Rojas, Engagement Senior	Bakersfield/Stockton	Department of Education Department of Transportation Department of Aging Cities/Counties/Nonprofits	F5 Kern F5 Sonoma F5 Merced F5 King F5 Santa Barbara F5 Napa F5 Stanislaus F5 San Joaquin	All inclusive Yr. 1 - \$18,500 Yr. 2 - \$19,055 Yr. 3 - \$19,627 Yr. 4 - \$20,216 Total = \$77,398
Christy White, Inc.	Kyle Montgomery, Lead Partner Sarah Palafox, Senior Director Jesus Cardenas, Supervisor Robert Contreras, Senior Accountant Heysell Vargas, Staff	San Diego	Not specifically mentioned in proposal	F5 Trinity F5 Humbolt F5 Glenn	All inclusive Yr. 1 - \$20,000 Yr. 2 - \$20,800 Yr. 3 - \$21,632 Yr. 4 - \$22,497 Total = \$84,929
Hudson Henderson & Company, Inc.	Kip Hudson, Engagement Partner Gilberto Vazquez, Engagement Senior	Fresno	Madera Irrigation District E. Turlock Subbasin GSA Stanislaus Council of Gov Henry Miller Reclamation Diswtrict 2131 Eastside Water District	F5 Sonoma F5 Madera First 5 Kings	All inclusive Yr. 1 - \$18,930 Yr. 2 - \$18,930 Yr. 3 - \$19,900 Yr. 4 - \$19,900 Total = \$77,660

# ***FIRST 5 MONTEREY COUNTY (F5MC)*** **INFORMAL SELECTION PROCESS**

## **Audit Services**

**SUBMISSIONS DUE: Friday, December 8, 2023 by 5:00 p.m.**

### **OVERVIEW**

First 5 Monterey County (F5MC) is seeking to select an independent certified public accounting firm to perform annual audit for four fiscal years, commencing with the fiscal year ending June 30, 2024.

On November 3, 1998, California voters approved Proposition 10 – the Children and Families First Act (Act). The Act established additional taxes on tobacco products, with revenues to be used for tobacco education and cessation programs, and for programs that promote, support, and improve the early development of children from prenatal through age five. The intent is for all California children to be healthy, to live in a healthy and supportive family environment, and to enter school ready to thrive.

The Monterey County (County) Board of Supervisors created the Children and Families First Commission of Monterey County (Commission) on December 8, 1998, under the provisions of the Act. The Commission also known as, First 5 Monterey County, consists of seven members appointed by the County Board of Supervisors. The Commission is an independent public entity separate from the County, however considered a component unit due to Trust holdings at the Monterey County Treasurer's Office.

First 5 Monterey County's mission is to enrich the lives of children, prenatal through age 5, and their families by strengthening connections and advancing quality within a whole system of care and support. We envision a Monterey County where all children reach their unique potential in a family and community that values, respects, and invests in early childhood.

### **AUDIT REQUIREMENTS**

The selected firm will:

- Perform an audit of financial statements in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits set forth in *Government Auditing Standards* issued by the Comptroller General of the United States.
- Perform expanded audit per state code section 130151 (1 through 8). The current audit guide *Standard and Procedures for Audits of Local Entities Administering the California Children and Families Act* dated June 2021 is attached. The selected firm is responsible for ensuring it is following the most current issue of this document (inclusive of Illustrative Audit Report A-2 to A-6) as well as the 9/10/09 Advisory Letter (attached). The audit guide as well as the *Frequently Asked Question* document is found at [https://sco.ca.gov/Files-AUD/ccfp\\_audit\\_guide\\_faqs.pdf](https://sco.ca.gov/Files-AUD/ccfp_audit_guide_faqs.pdf)
- Prepare Independent Auditors' Report, Basic Financial Statements, Required Supplementary Information, Supplementary Information, Report Required by Government Auditing Standards, and Reports required by the California State Controller's Office.
- Be able to perform fieldwork within a tight closing schedule. The final closing information is available mid-August, as F5MC processes almost one half of its annual expenditure during early August.
- Prepare first draft of the report around the end of August for review by F5MC's Controller.
- Present final draft of the report to the Personnel and Finance Committee in early September for

approval. In 2023 the Committee met on September 13, 2023, tentative date for 2024 meeting is September 18<sup>th</sup>. Final draft of the report must be ready at a minimum, a week before the Committee meeting date.

- Present the approved audit report to the full Commission in late September. In 2023, the Commission met on September 25, 2023, tentative date for 2024 meeting is September 23<sup>rd</sup>. A minimum of one unbound copy and three bound copies of the approved audit report must be available for distribution less than 10 workings days after the Commission meeting date.
- File the audit report with both the State Controller’s Office and the First 5 California offices by November 1, including delivery confirmation.

**SUBMISSION REQUIREMENTS:**

Include the following by the established due date:

- Firm’s name, contact name, contact title, business address, phone number, email address, and website address.
- A list of staff that would be engaged in the audit with a brief summary of their background and relevant experience.
- Audit experience with government entities of comparable size and equivalent complexity.
- Familiarity with Government Auditing Standards (The Yellow Book).
- Knowledge of and working experience with First 5s.
- Knowledge of the Standards and Procedures for Audits of California Counties Participating in the First 5 California Program (Expanded Audit)
- 3 references from current audit clients.
- A four - year cost proposal that includes any supplemental start up fees for the first year.

**PROPOSED AUDIT FEE SCHEDULE**

ANNUAL AUDIT SERVICES	FEE PROPOSED			
	YEAR 1	YEAR 2	YEAR 3	YEAR 4
<b>FINANCIAL STATEMENTS AUDIT AND ADVISORY SERVICES</b>				
Audit fee for preparation of basic financial statements				
<b>ANY SUPPLEMENTAL START UP FEE</b>				
(First Year Only)				
<b>TOTAL ANNUAL FEE</b>				

**Submissions must be received by 5:00 p.m. December 8, 2023 by email to:**

First 5 Monterey County  
 Ana Duran, Finance Assistant  
 Email: [Ana@first5monterey.org](mailto:Ana@first5monterey.org)

---

F5MC reserves the right to not consider submissions received after the established due date.

F5MC reserves right to reject all submissions, amend, or cancel the Informal Selection Process at any time for any reason before the contract is executed, to accept all or a portion of any submission, and to waive any minor irregularities or informalities in any submission and to request clarification from any submitter.

F5MC is not required to award a contract for services to the submission with the lowest cost. F5MC will select the service provider that best meets the needs of the Commission both in terms of fit and cost.

To learn more about F5MC, please visit our website at [www.first5monterey.org](http://www.first5monterey.org). If you have questions, please contact Ana Duran at (831) 444-8549 or [Ana@first5monterey.org](mailto:Ana@first5monterey.org).

**List of Auditors – Informal Selection Request** Revised 11.2023

**Color Legend –**

No Response Dec. 2023

Submitted Bid Dec. 2023

Submitted Bid & Awarded Nov. 2021

Declined to Bid Dec. 2023

New to list for this Process

**Auditor List**

<p>1 Vavrinek, Trine, Day &amp; Co., LLP  <a href="#">Attn: Richard Blake, CPA</a>                  260 Sheridan Ave., Suite 440                  Palo Alto, CA 94306                  Tel: 650-462-0400  <a href="http://www.vtdcpa.com">www.vtdcpa.com</a></p>	<p>2 Gallina, LLP  <a href="#">Attn: Lisa Hubbard, CPA</a>                  925 Highland Pointe Dr. Suite 450                  Roseville, CA 95678-5418                  Tel: 916-784-7800  <a href="mailto:lhubbart@gallina.com">lhubbart@gallina.com</a></p>
<p>3 Burr, Pilger &amp; Mayer LLP  <a href="#">Attn: Brian Finnegan, CPA</a>                  600 California St. Suite 600                  San Francisco, CA 94108                  Tel: 415-288-6249  <a href="mailto:BFinnegan@bpmcpa.com">BFinnegan@bpmcpa.com</a></p>	<p>4 Bianchi, Kasavan, &amp; Pope, LLP  <a href="#">Attn: Auditing Services Dept.</a>                  450 Lincoln Ave. Suite 200                  Salinas, CA 93901                  Tel: 831-757-5311  <a href="mailto:jessel@bkpcpa.com">jessel@bkpcpa.com</a></p>
<p>4 Bianchi, Kasavan, &amp; Pope, LLP  <a href="#">Attn: Auditing Services Dept.</a>                  450 Lincoln Ave. Suite 200                  Salinas, CA 93901                  Tel: 831-757-5311  <a href="mailto:jessel@bkpcpa.com">jessel@bkpcpa.com</a></p>	<p>5 Armanino, LLP  <a href="#">Attn: Robert Smiley, CPA</a>                  740 Front St. Suite 365                  Santa Cruz, CA 95060                  Tel: 831-346-6028  <a href="mailto:info@armaninoLLP.com">info@armaninoLLP.com</a></p>
<p>6 McGilloway, Ray, Brown &amp; Kaufman  <a href="#">Attn: Patricia M. Kaufman, CPA</a>                  379 W. Market St.                  Salinas, CA 93901                  Tel: 831-424-2737  <a href="mailto:patriciak@mcgilloway-ray.com">patriciak@mcgilloway-ray.com</a></p>	<p>7 Hayashi/Wayland  <a href="#">Attn: Autumn Rossi, CPA</a>                  1188 Padre Dr. Suite 101                  Salinas, CA 93901                  Tel: 831-759-6300  <a href="mailto:autumnr@hw-cpa.com">autumnr@hw-cpa.com</a></p>
<p>8 Brown Armstrong Accountancy Corp.  <a href="#">Attn: Ashley Green</a>                  1919 Grand Canal Blvd, Suite 6C                  Stockton, CA 95207                  Tel: 209-242-2349</p>	<p>9 Badawi &amp; Associates  <a href="#">180 Grand Avenue, Suite 1500</a>                  Oakland, CA 94612                  Tel: 510-768-8251  <a href="mailto:info@b-acpa.com">info@b-acpa.com</a></p>
<p>10 Lavorato &amp; Darling, Inc.  <a href="#">246 Capitol Street</a>                  Salinas, CA 93901                  Tel: 831-422-9083  <a href="mailto:francesca@landdcpas.com">francesca@landdcpas.com</a></p>	<p>11 Ryan &amp; McDonald  <a href="#">913 Blanco Circle</a>                  Salinas, CA 93901                  Tel: 831-784-6000  <a href="mailto:info@ryanandmcdonald.com">info@ryanandmcdonald.com</a></p>
<p>12 Brandon &amp; Tibbs Accountants  <a href="#">3 Quail Run Circle, Suite 200</a>                  Salinas, CA 93907                  Tel: 831-758-4481  <a href="mailto:Warren2@brandon-tibbs.com">Warren2@brandon-tibbs.com</a></p>	<p>13 Hutchinson and Bloodgood, LLP  <a href="#">579 Auto Center Drive</a>                  Watsonville, CA 95076                  Tel: 831-724-2441  <a href="mailto:authorizations@hbllp.com">authorizations@hbllp.com</a></p>

- 14 Hudson Henderson & Company, Inc.  
[7473 N. Ingram Suite 102](mailto:info@hhccpas.com)  
 Fresno, CA 93711  
 Tel: 559-412-7576  
[Info@hhccpas.com](mailto:info@hhccpas.com)
- 15 Singleton Auman  
[1740 Main Street Suite A](mailto:sa@sa-cpas.com)  
 Susanville, CA 96130  
[sa@sa-cpas.com](mailto:sa@sa-cpas.com)
- 16 Jensen Smith  
[PO Box 160, 661 5th Street Suite 101](mailto:brandy@lincolncpa.com)  
 Lincoln, CA 95648  
[brandy@lincolncpa.com](mailto:brandy@lincolncpa.com)  
[jennifer@lincolncpa.com](mailto:jennifer@lincolncpa.com)
- 17 Christy White and Associates  
[348 Olive Street](mailto:cwhite@christywhite.com)  
 San Diego, CA 92103  
[cwhite@christywhite.com](mailto:cwhite@christywhite.com)  
[info@christywhite.com](mailto:info@christywhite.com)
- 18 Harshwal & Company LLP  
[7677 Oakport St. Suite 460](mailto:rohini.raghavendra@harshwal.com)  
 Oakland, CA 94621  
[rohini.raghavendra@harshwal.com](mailto:rohini.raghavendra@harshwal.com)  
[harshwal@harshwal.com](mailto:harshwal@harshwal.com)  
[garima.pathak@harshwal.com](mailto:garima.pathak@harshwal.com)
- 19 Smith & Newell  
[1425 Butte House Rd.](mailto:accounting@smithandnewell.com)  
 Yuba City, CA 95993  
[accounting@smithandnewell.com](mailto:accounting@smithandnewell.com)
- 20 RJ Riccardi inc CPA  
[1101 Fifth Avenue, Suite 360](mailto:info@rjrca.com)  
 San Rafael, CA 94901  
[info@rjrca.com](mailto:info@rjrca.com)  
[hiep@rjrca.com](mailto:hiep@rjrca.com)
- 21 Donal R. Reynolds, CPA  
 Redding Ca, 96001  
[cpa@shasta.com](mailto:cpa@shasta.com)
- 22 Monica Derner CPA  
 Alturas, CA 96101  
[monica@dernercpa.com](mailto:monica@dernercpa.com)
- 23 Eide Bailey  
 Sacramento, CA 95833  
[jaguilar@eidebailly.com](mailto:jaguilar@eidebailly.com)  
[jramsey@eidebailly.com](mailto:jramsey@eidebailly.com)
- 24 Aiello, Goodrich and Teuscher  
 Mt. Shasta, CA 96067  
[info@sgtcpa.com](mailto:info@sgtcpa.com)
- 25 Jeffrey Chitwood, CPA  
 Yreka, CA 96097  
[jchitwood@yrekacpas.com](mailto:jchitwood@yrekacpas.com)
- 26 D.H. Scott  
 Redding, CA 96001  
[sbouser@dhscott.com](mailto:sbouser@dhscott.com)
- 27 Simmons & Associates  
 Redding, CA 96001  
[info@simmonscaonline.com](mailto:info@simmonscaonline.com)
- 28 J.R. Martin & Associates  
 Redding, CA 96001  
[info@jrmartincpa.com](mailto:info@jrmartincpa.com)

First 5 Monterey County  
Finance/Personnel Committee Meeting  
Consultant & Services Contract Log  
as of 1/29/24

Contract Period Dates			Authorization Dates*		PO	Contractor / Vendor Name	Current Contract Focus Area(s) and/or Budget Category	Project/Service and Change Description (Time extensions noted in "Revised End" col)	Total Contract Amount
Start	End	Revised End	Original	Renewal/ Other					
7/1/23	6/30/24		4/24/23	10/23/23	OF	Door to Hope	Strengthen Connections Services DSS Funded Home Visiting Amended to include additional \$38,463	402,384.00	
8/9/23	6/30/25		8/9/23		OF	Door to Hope	Strengthen Connections Services CCAH HV Coordination	166,666.00	
7/1/23	6/30/24		4/24/23	10/23/23	OF	GoKids	Strengthen Connections Services DSS Funded Home Visiting Amended to include additional \$28,000.	183,000.00	
8/9/23	6/30/25		8/9/23		OF	GoKids	Strengthen Connections Services CCAH HV Coordination	166,667.00	
2/27/23	12/31/23		2/27/23	10/23/23	FMR	Heart of Strategy, Inc.	Funding Process Expense Systems and REDI Strategies of the Strategic Plan Amended to include additional \$8,000.	56,160.00	
1/1/24	6/30/24		12/4/23		FMR	Heart of Strategy, Inc.	Funding Process Expense Strategic Plan Strategy Implementation Support	32,560.00	
7/1/22	6/30/23	6/30/24	6/27/22	9/25/23	SK	Maria del Carmen Parra	Bright Beginnings Bright Beginnings Facilitator for FY 22/23 \$49,980 Amended to include FY23/24 with additional \$19,950 Amended to include additional \$40,040 for FY23/24.	109,970.00	
12/4/23	6/30/24		12/4/23		NA	Maria del Carmen Parra	Champion Early Childhood CCECAN Support	20,300.00	
8/9/23	6/30/25		8/9/23	12/4/23	FMR	Monterey County Office of Education	Build Capacity - F5CA IMPACT Program F5CA IMPACT Legacy for FY 23/24-24/25 Amended to include additional \$33,616.	326,430.00	
7/1/23	6/30/24		4/24/23	10/23/23	OF	North Monterey County	Strengthen Connections Services DSS Funded Home Visiting Amended to include additional \$6,000	80,000.00	
8/9/23	6/30/25		8/9/23		OF	North Monterey County	Strengthen Connections Services CCAH HV Coordination	166,666.00	
4/1/20	3/31/23	12/31/2023; 6/30/24	3/27/20	2/27/2023; 12/4/23	JR	Persimmony	Evaluate Impact Evaluation Database Software Amended to extend and include additional \$44,537 thru 12/31/23. Amended to extend and include additional \$30,000 thru 6/30/24.	247,196.00	
12/1/23	11/30/28		10/23/23		JR	Social Solutions Global Inc.	Evaluate Impact Apricot 360 Database	306,000.00	
11/6/23	1/31/24	2/29/24	n/a	n/a	JJ/KC	The Big Lil, LLC	Administrative Operations-Focused Staffing Structure Amended to include additional \$1,500	21,100.00	
3/10/20	6/30/21	6/30/22 6/30/23 9/30/23 1/31/24	1/27/20	6/28/21	JR	WestEd	Evaluate Impact Monterey County 2020 School Readiness Assessment No Cost Amended for Revision of Timeline Amended to include additional \$37,000.00 Term of Agreement change and a No Cost Amendment to SOW. No Cost SOW and Budget Revision Amendment for FY22/23. No Cost Extension thru 9/30/23. Additional No Cost Extension thru 1/31/24.	355,400.00	
8/10/23	6/30/24		8/9/23		BRF	WestEd	Strengthen Connections Systems IFECMH	126,000.00	
* Board authorization required for contracts over \$25,000.00 per fiscal year.									

# FIRST 5 MONTEREY COUNTY BOARD BRIEFER

**MEETING: Finance/Personnel Committee Meeting – Friday, February 2, 2024**

**SUBJECT: Funded Partner Update as of 1/29/24**

**POSSIBLE ACTION:**

Review and Accept Funded Partner Updates.

**SUMMARY/DISCUSSION:**

Updates may be provided on the following partners in one or more of the categories listed below: Alisal USD, Centro Binacional para el Desarrollo Indígena Oaxaqueño, Monterey County Office of Education (MCOE), North Monterey County USD (NMCUSD), Salinas Public Library, GoKids, Inc., Hartnell Community College, Monterey Peninsula College, Door to Hope, Monterey County Probation Department, and Pajaro Valley Prevention and Student Assistance, Inc (PVPSA).

**Contracting**

No contracting updates at this time.

**Expenditure/Program Reports**

The 1<sup>st</sup> Bi-annual reports from Collaborative and WDI/CARES Funded Partners for FY22/23, covering the period from July 1, 2022 through December 31, 2022, were due on or before January 31, 2023. As of January 29, 2024, all 1<sup>st</sup> biannual payments have been processed other than for PVPSA.

The 2<sup>nd</sup> Bi-annual reports from Collaborative and WDI/CARES Funded Partners for FY22/23, covering the period from January 1, 2023 through June 30, 2023, were due on or before July 31, 2023. As of January 29, 2024, all 2<sup>nd</sup> biannual payments have been processed other than PVPSA. Payments are being held due to Audit contract requirements.

**Audit Financial Report**

The Funded Partners' audited financial statements for the fiscal year ending on 6/30/21 were due on or before January 1, 2022. Audits have been received all Funded Partners other than PVPSA. As per Finance Committee Direction, Staff reached out to PVPSA to get a firm timeline for receipt of their 20/21 Audit. Staff has confirmed with PVPSA that we will be receiving the audit before the end of February. Staff continues to hold PVPSA's 2<sup>nd</sup> biannual payment for FY 21/22, and both biannual payments for FY 22/23.

The Funded Partners' audited financial statements for the fiscal year ending on 6/30/22 were due on or before January 1, 2023 and for Funded Partners' with fiscal year ending 9/30/22 audits were due on April 1, 2023. Audits have been received from 10 of the 11 Funded Partners with due dates of 1/1/23 and 1 from the 1 Funded Partner with due date of 4/1/23. PVPSA is the Funded Partners that Staff continues to work with to get all required documents. Staff continues to hold both biannual payments for FY 22/23 until we receive PVPSA's final audit and certification letter.

A summary of audits for FY20/21 will be presented at the April Finance Committee Meeting. For FY21/22 & FY22/23, when all required information is received, a summary of audits will be presented at a future Finance Committee Meeting. If a Funded Partners' audit is received in the interim and Staff considers the audit to be of concern, Staff will bring the information to the next Finance Committee Meeting for review and discussion.

**FINANCIAL IMPLICATIONS:**

There are no immediate financial implications regarding the information above.

---

*Kris Curtis, Controller*