



*For further information on an agenda item, please contact
the City at 101 North "D" Street, or call (951) 943-6100*

**AGENDA
JOINT MEETING OF THE CITY COUNCIL, SUCCESSOR AGENCY
TO THE REDEVELOPMENT AGENCY, PUBLIC FINANCE AUTHORITY,
PUBLIC UTILITY AUTHORITY, HOUSING AUTHORITY, PERRIS JOINT POWERS
AUTHORITY AND PERRIS COMMUNITY ECONOMIC DEVELOPMENT
CORPORATION OF THE CITY OF PERRIS**

**THIS MEETING IS ALSO BEING CONDUCTED AS A REMOTE MEETING IN
ACCORDANCE WITH AB 361 AND RESOLUTION NUMBER 5955**

**Tuesday, April 26, 2022
6:30 P.M.**

**City Council Chambers
(Corner of San Jacinto and Perris Boulevard)
101 North "D" Street
Perris, California**

CLOSED SESSION: 5:45 P.M.

ROLL CALL:

Rabb, Rogers, Nava, Corona, Vargas

A. Conference with Legal Counsel - Potential Litigation - Government
Code Section 54956.9 (d)(4) – 1 case

B. Conference with Labor Negotiators - Government Code Section
54957.6
City Negotiator: Clara Miramontes, City Manager
Employee Organization: Teamsters Local 911

1. *CALL TO ORDER:* 6:30 P.M.

2. *ROLL CALL:*

Rabb, Rogers, Nava, Corona, Vargas

3. INVOCATION:

Reverend Cheri Metier
First Congregational Church
100 N 'A' St. Perris, CA 92570

4. PLEDGE OF ALLEGIANCE:

Councilmember Rabb will lead the Pledge of Allegiance.

5. REPORT ON CLOSED SESSION ITEMS:

6. PRESENTATIONS/ANNOUNCEMENTS:

At this time, the City Council may recognize citizens and organizations that have made significant contributions to the community, and it may accept awards on behalf of the City.

A. Presentation declaring May 2022 as Building and Safety Month.

7. YOUTH ADVISORY COMMITTEE COMMUNICATIONS:

8. PUBLIC COMMENT/CITIZEN PARTICIPATION:

*This is the time when any member of the public may bring a matter to the attention of the Mayor and the City Council that is within the jurisdiction of the City Council. The Ralph M. Brown act limits the Mayor's, City Council's and staff's ability to respond to comments on non-agendized matters at the time such comments are made. Thus, your comments may be agendized for a future meeting or referred to staff. The City Council may discuss or ask questions for clarification, if desired, at this time. **Public comment is limited to three (3) minutes.***

9. APPROVAL OF MINUTES:

A. Consideration to approve the Minutes of the Regular Meeting held on April 12, 2022, and the Special Meeting held on April 19, 2022 of the City Council, Successor Agency to the Redevelopment Agency, Public Finance Authority, Public Utility Authority, Housing Authority, Perris Community Economic Development Corporation and the Perris Joint Powers Authority.

10. CONSENT CALENDAR:

*Consent Calendar items are normally enacted in one motion. The Mayor or City Council may remove a Consent Calendar item for separate action. **Public comment is limited to three (3) minutes.***

A. Consideration to adopt Proposed Resolution Number (next in order) accepting Kathryn A. Millers' Irrevocable Offer of Dedication for Public Purposes. The subject property is located on Medical Center Drive. (APN: 320-020-010)

The Proposed Resolution Number (next in order) is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS
ACCEPTING KATHRYN A. MILLER'S IRREVOCABLE OFFER OF
DEDICATION FOR PUBLIC PURPOSES (APN 320-020-010)

- B. Consideration to approve a Road Closure on Opal Drive between Diamond Way and Turquoise Drive, for Southern California Edison to Remove and Replace Power Poles for a single day in May 2022.
- C. Consideration to approve the plans and specification, award a contract to Act 1 Construction, Inc., and reject all other bids for the Senior Center Parking Lot Improvements Project. (CIP S133)
- D. Consideration to adopt Proposed Resolution Number (next in order) to continue Tele/Video-Conference Meetings during COVID-19 State of Emergency pursuant to the Provisions of AB 361.

The Proposed Resolution Number (next in order) is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS,
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, MAKING
FINDINGS THAT PURSUANT TO ASSEMBLY BILL 361 THAT THE
PROCLAIMED STATE OF EMERGENCY CONTINUES TO IMPACT THE
ABILITY TO MEET SAFELY IN PERSON AND AUTHORIZING REMOTE
TELECONFERENCE MEETINGS OF THE LEGISLATIVE BODIES OF
THE CITY OF PERRIS FOR THE PERIOD BEGINNING APRIL 26, 2022
AND ENDING MAY 26, 2022 PURSUANT TO BROWN ACT

- E. Consideration to approve a waiver of the City's Transportation Development Impact Fees for the Downtown Skills Training Center located at the northeast corner of D Street and 1st Street. (APN: 313-091-003) (Applicant: City of Perris)
- F. Consideration to adopt Proposed Resolution Number (next in order) approving Street Vacation 21-05292 to summarily vacate a 100-foot-wide northern section of East Frontage Road along Placentia Avenue on the east side of the I-215 Placentia Interchange project. (Applicant: Riverside County Transportation Commission (RCTC))

The Proposed Resolution Number (next in order) is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS,
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, APPROVING
STREET VACATION 21-05292 FOR A SUMMARY VACATION,
PURSUANT TO STREETS & HIGHWAYS CODE SECTION 8330, OF A
100-FOOT-WIDE NORTHERN SECTION OF EAST FRONTAGE ROAD
ALONG PLACENTIA AVENUE ON THE EAST SIDE OF THE I-215

FREEWAY AND PLACENTIA INTERCHANGE PROJECT, BASED UPON
THE FINDINGS NOTED HEREIN

- G. Consideration to approve a contract with Rogers, Anderson, Malody and Scott, LLP to provide audit services to the City of Perris for the three fiscal years ending June 30, 2022, June 30, 2023 and June 30, 2024.
- H. Consideration to Receive and File the Eastern Municipal Water District (EMWD) Well 59 Perfluorooctanoic Acid (PFOA) Treatment Notification.

11. PUBLIC HEARINGS: NO PUBLIC HEARINGS

*The public is encouraged to express your views on any matter set for public hearing. It is our procedure to first receive the staff report, then to ask for public testimony, first from those in favor of the project followed by testimony from those in opposition to it, and if there is opposition, to allow those in favor, rebuttal testimony only as to the points brought up in opposition. To testify on the matter, you need to simply come forward to the speaker's podium at the appropriate time, give your name and address and make your statement. After a hearing is closed, you may not further speak on the matter unless requested to do so or are asked questions by the Mayor or a Member of the City Council. **Public comment is limited to three (3) minutes.***

12. BUSINESS ITEMS: (not requiring a "Public Hearing"):

*Public comment will be called for each non-hearing item. Please keep comments brief so that everyone who wishes to speak has the opportunity to do so. After public comment is closed, you may not further speak on the matter unless the Mayor or City Council requests further clarification of your statement. **Public Comment is limited to three (3) minutes.***

- A. Annual Fire Department Report.

Introduced by: Fire Chief Kirk Barnett

PUBLIC COMMENT

- B. Consideration to Receive a File the presentation of the Rave Mobile Alerting System.

Introduced by: Chief Information Officer Arturo Cervantes

PUBLIC COMMENT

- C. Consideration and discussion regarding Cannabis Taxes, Penalties, and Application Fees.

Introduced by: Director of Development Services Kenneth Phung

PUBLIC COMMENT

13. COUNCIL COMMUNICATIONS:

(Committee Reports, Agenda Items, Meeting Requests and Review etc.)

This is an opportunity for the Mayor and City Councilmembers to report on their activities and the actions of the Committees upon which they sit, to bring a matter to the attention of the full Council and staff, and to request agenda items. Any matter that was considered during the public hearing portion is not appropriate for discussion in this section of the agenda. NO ACTION CAN BE TAKEN AT THIS TIME.

14. CITY MANAGER'S REPORT:

15. ADJOURNMENT:

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact City Hall at (951) 943-6100. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

COVID-19 REMOTE PUBLIC COMMENT/CITIZEN PARTICIPATION

With the intent of adhering to the new community guidelines from the Center for Disease Control, the City of Perris will allow for remote public comment and participation at upcoming City Council meetings via Zoom. Public Comment is limited to three (3) minutes.

ZOOM MEETING INFORMATION

When: April 26, 2022, 06:30 PM Pacific Time (US and Canada)

Topic: City Council Meeting

In order to provide Public Comment via Zoom, participants will be required to register at the following link:

https://us06web.zoom.us/webinar/register/WN_aVY7JIX8S3qZaJHd6Oo9RA

After registering, you will receive a confirmation email containing information about joining the meeting.

During the council meeting, if you wish to speak, via Zoom, for public comment on any item, please select the raise hand icon next to your name. The moderator will grant you access to speak. Public Comment is limited to (3) three minutes.

THE CITY COUNCIL MEETING IS ALSO AVAILABLE FOR VIEWING AT THE FOLLOWING:

City's Website:

<https://www.cityofperris.org/government/city-council/council-meetings>

YouTube:

<https://www.youtube.com/channel/UC24S1shebXkJFv3BnxdkPpg>

Facebook:

<https://www.facebook.com/PerrisToday/>

For cable subscribers only within Perris:
Spectrum: Channel 3
Frontier: Channel 16



CITY OF PERRIS
CITY COUNCIL
AGENDA SUBMITTAL

MEETING DATE: April 26, 2022
SUBJECT: Approval of Minutes
REQUESTED ACTION: Approve the Minutes of the Regular Joint City Council Meeting held on April 12, 2022 and the Special Joint City Council Meeting held on April 19, 2022.
CONTACT: Nancy Salazar, City Clerk *NS*

BACKGROUND/DISCUSSION: None

BUDGET (or FISCAL) IMPACT: None

Prepared by: Judy L. Haughney, CMC, Assistant City Clerk

REVIEWED BY:

City Attorney _____
Assistant City Manager _____
Deputy City Manager *ER*

- Attachments: 1. Minutes-April 12, 2022-Regular Joint City Council Meeting
2. Minutes-April 19, 2022-Special Joint City Council Meeting

Consent:
Public Hearing:
Business Item:
Presentation:
Other: Approval of Minutes

ATTACHMENT 1

Minutes-April 12, 2022 Regular Joint City Council Meeting

CITY OF PERRIS

MINUTES:

Date of Meeting: April 12, 2022

06:30 PM

Place of Meeting: City Council Chambers

THIS MEETING WAS ALSO CONDUCTED AS A REMOTE MEETING IN ACCORDANCE WITH AB 361 AND RESOLUTION NUMBER 5955

CLOSED SESSION

ROLL CALL

Present: Corona, Rabb, Rogers (via Zoom), Nava, Vargas

Staff Members Present: City Manager Miramontes, Deputy City Manager Reyna, City Attorney Dunn, Economic Development & Housing Manager Ogawa and Special Consultant Motlagh

- A. Conference with Real Property Negotiators – Government Code Section 54956.8
Property: 11 S. D Street, Perris, CA 92570 City Negotiator: Clara Miramontes, City
Manager Negotiating Parties: SIATech, Inc. Under Negotiation: Lease Renewals
- B. Conference with Legal Counsel - Potential Litigation - Government Code Section
54956.9 (d)(4) – 1 case

- 1. CALL TO ORDER: 6:30 P.M.

Mayor Vargas called the Regular City Council meeting to order at 6:35 p.m.

- 2. ROLL CALL:

Present: Corona, Rabb, Rogers (via Zoom), Nava, Vargas

Staff Members Present: City Manager Miramontes, Deputy City Manager Reyna, City Attorney Dunn, City Engineer McKibbin, Police Captain Sims, Fire Chief Barnett, Chief Information Officer Cervantes, Director of Community Services Chavez, Director of Development Services Phung, Director of Administrative Services Amozgar, Director of Public Works Hill, Assistant City Clerk Haughney and City Clerk Salazar.

- 3. INVOCATION:
Pastor Don Meinberg
Reflections Christian Fellowship
375 Ramona Expressway, Perris CA 92571

4. PLEDGE OF ALLEGIANCE:

Mayor Pro Tem Corona led the Pledge of Allegiance.

5. REPORT ON CLOSED SESSION ITEMS:

City Attorney Dunn reported that the City Council met in Closed Session to discuss the items listed on the agenda and noted that no reportable action was taken.

6. PRESENTATIONS/ANNOUNCEMENTS:

A. Presentation of Certificates of Recognition to Coach Jerry Sepulveda and the Perris Pirates Boys and Girls Club Division Champions 7-9 Year Old's Soccer Team.

7. YOUTH ADVISORY COMMITTEE COMMUNICATIONS:

The report was given by Youth Advisory Committee Vice-President Jasmine Lomeli.

8. PUBLIC COMMENT/CITIZEN PARTICIPATION:

The Mayor called for Public Comment.

**The following person spoke at Public Comment.
Ana Jacquez**

9. APPROVAL OF MINUTES:

A. Approved the Minutes of the Special Meeting held on March 22, 2022 and the Regular Meeting held on March 29, 2022, of the City Council, Successor Agency to the Redevelopment Agency, Public Finance Authority, Public Utility Authority, Housing Authority, Perris Community Economic Development Corporation and the Perris Joint Powers Authority.

The Mayor called for a motion.

M/S/C: Moved by David Starr Rabb, seconded by Marisela Nava to Approve the Minutes, as presented.

AYES: Malcolm Corona, David Starr Rabb, Rita Rogers, Marisela Nava, Michael Vargas

NOES:

ABSENT:

ABSTAIN:

10. CONSENT CALENDAR:

City Manager Miramontes noted that regarding items 10.D. and 10.E. updated and corrected attachments were distributed to the City Council and posted on the City Website.

Mayor Pro Tem Corona requested that item 10.F. be pulled for separate discussion.

The Mayor called for Public Comment. The following person spoke regarding item 10.E.:

Ana Jacquez

The Mayor closed Public Comment.

- A. Adopted Resolution Number 5963 regarding annexation of DPR 21-00011 to Community Facilities District (CFD) 2001-3 (North Perris Public Safety District)-Annexation No. 47. DPR 21-00011 is located at the southwest corner of Rider Street and Wilson Avenue. (APN(s): 300-210-011, 300-210-012, 300-210-013 and 300-210-029) (Owner: Rider Business Center, LLC)

Resolution Number 5963 is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2001-3 (NORTH PERRIS PUBLIC SAFETY) OF THE CITY OF PERRIS DECLARING ITS INTENTION TO ANNEX CERTAIN TERRITORY THERETO [ANNEXATION NO. 47]

- B. Adopted Resolution Number 5964 regarding annexation of DPR 21-00011 to Community Facilities District (CFD) 2018-02 (Public Services District)-Annexation No. 9. DPR 21-00011 is located at the southwest corner of Rider Street and Wilson Avenue. (APN(s): 300-210-011, 300-210-012, 300-210-013 and 300-210-029) (Owner: Rider Business Center, LLC)

Resolution Number 5964 is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS ACTING AS THE LEGISLATIVE BODY OF CITY OF PERRIS COMMUNITY FACILITIES DISTRICT NO. 2018-02 (PUBLIC SERVICES DISTRICT) DECLARING ITS INTENTION TO ANNEX CERTAIN TERRITORY THERETO [ANNEXATION NO. 9]

- C. Adopted Resolution Number 5965 approving a Deposit and Reimbursement Agreement with PW Land Investment, LP. The subject property is located south of Nuevo Road between the Perris Valley Storm Drain Channel and Dunlap Drive.

Resolution Number 5965 is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS APPROVING AND ORDERING THE EXECUTION OF THAT CERTAIN DEPOSIT AND REIMBURSEMENT AGREEMENT WITH PW LAND INVESTMENTS, L.P. AND MAKING CERTAIN FINDINGS AND DETERMINATIONS IN CONNECTION THEREWITH

- D. Adopted Resolution Number 5966 approving a Deposit and Reimbursement Agreement with Stratford Ranch Associates, LLC. The subject property is located at the northeast corner of Evans Road and the Ramona Expressway.

Resolution Number 5966 is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS APPROVING AND ORDERING THE EXECUTION OF THAT CERTAIN DEPOSIT AND REIMBURSEMENT AGREEMENT WITH STRATFORD RANCH AND ASSOCIATES, LLC AND MAKING CERTAIN FINDINGS AND DETERMINATIONS IN CONNECTION THEREWITH

- E. Adopted Resolution Number 5967 approving a Deposit and Reimbursement Agreement with IDI Logistics, LLC. The subject properties are broken into PLC-North located at Redlands Avenue, Ellis Avenue and I-215 and PLC-South located at A Street, Mapes Road and Goetz Road.

Resolution Number 5967 is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS APPROVING AND ORDERING THE EXECUTION OF THAT CERTAIN DEPOSIT AND REIMBURSEMENT AGREEMENT WITH IDI LOGISTICS, LLC AND MAKING CERTAIN FINDINGS AND DETERMINATIONS IN CONNECTION THEREWITH

- F. This item was not approved-Consideration to adopt Proposed Resolution Number (next in order) opposing Senate Bill 871, Requiring COVID-19 Vaccination for Public School Students.

The Proposed Resolution Number (next in order) is entitled:

A RESOLUTION OF THE CITY OF PERRIS OPPOSING RECENTLY INTRODUCED STATE LEGISLATION, SENATE BILL 871 (PAN), WHICH REQUIRES MANDATORY COVID-19 VACCINATION FOR ALL PUBLIC SCHOOL STUDENTS IN CALIFORNIA AND REMOVES EXEMPTIONS FOR PERSONAL BELIEFS. FUTURE DISEASE IMMUNIZATION REQUIREMENTS WOULD BE DETERMINED BY THE CALIFORNIA DEPARTMENT OF HEALTH RATHER THAN THE STATE LEGISLATURE

Mayor Pro Tem Corona requested that this item be pulled for separate discussion.

The following Councilmember's spoke:

**Corona
Vargas
Nava**

The Mayor called for a motion.

M/S/C: Moved by Michael Vargas, seconded by David Starr Rabb to Approve the Resolution, as presented.

AYES: Rita Rogers, Michael Vargas

NOES: David Starr Rabb

ABSENT:

ABSTAIN: Malcolm Corona, Marisela Nava

The motion failed. The resolution required 3 YES votes to pass.

- G. Awarded the Purchase of one (1) new Toyota Rav4 Hybrid XLE for the Public Works Department, to Toyota of Riverside.
- H. Approved a Contract Services Agreement with Magellan Advisors for Fiber Optic Master Plan.
- I. Awarded a contract to Community Works Design Group for the Professional Architectural Services and Design Support for the Paragon Skate Park Project located at 264 Spectacular Bid, Perris, CA.
- J. Approved the City's monthly Check Register for January 2022.

The Mayor called for a motion.

M/S/C: Moved by Malcolm Corona, seconded by Marisela Nava to Approve the balance of the Consent Calendar, with the exception of Item 10.F., as presented.

AYES: Malcolm Corona, David Starr Rabb, Rita Rogers, Marisela Nava, Michael Vargas

NOES:

ABSENT:

ABSTAIN:

11. PUBLIC HEARINGS:

- A. Adopted Resolution Number 5968 approving the Draft Community Development Block Grant (CDBG) Annual Action Plan FY 2022-2023.

Resolution Number 5968 is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, APPROVING THE DRAFT FY 2022-2023 ANNUAL ACTION PLAN WITH PROPOSED FUNDING FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FEDERAL ENTITLEMENT PROGRAM

The item was introduced by Economic Development & Housing Manager Michele Ogawa and turned over to Principal Management Analyst Sara Cortes de Pavon for the presentation.

The Mayor opened the Public Hearing at 7:12 p.m.

**The following person spoke:
Jessica Munoz**

The Mayor closed the Public Hearing at 7:15 p.m.

**The following Councilmember's spoke:
Nava
Vargas**

The Mayor called for a motion.

M/S/C: Moved by David Starr Rabb, seconded by Marisela Nava to Approve Resolution Number 5968, as presented.

AYES: Malcolm Corona, David Starr Rabb, Rita Rogers, Marisela Nava, Michael Vargas

NOES:

ABSENT:

ABSTAIN:

12. BUSINESS ITEMS:

There were no Business Items.

13. COUNCIL COMMUNICATIONS:

The following Councilmember's spoke:

Nava

Rogers

Rabb

Corona

Vargas

14. CITY MANAGER'S REPORT:

15. ADJOURNMENT:

There being no further business Mayor Vargas adjourned the Regular City Council meeting at 7:26 p.m.

Respectfully Submitted,

Nancy Salazar, City Clerk

ATTACHMENT 2

Minutes-April 19, 2022 Special Joint City Council Meeting

CITY OF PERRIS

MINUTES:

Date of Meeting: April 19, 2022

05:30 PM

Place of Meeting: City Council Chambers

1. **CALL TO ORDER: 5:30 P.M.**

Mayor Vargas called the Special City Council meeting to order at 5:31 p.m.

2. **ROLL CALL: _____**

Present: Corona, Rabb, Rogers (via Zoom), Nava, Vargas

Staff Member's Present: City Manager Miramontes, Assistant City Attorney Khuu, City Clerk Salazar

3. **PLEDGE OF ALLEGIANCE:**

Mayor Pro Tem Corona led the Pledge of Allegiance.

4. **CLOSED SESSION:**

A. **Public Employee Evaluation - City Manager - Government Code Section 54957 (b)(1)
PUBLIC COMMENT**

Assistant City Attorney Khuu introduced the item.

Mayor Vargas called for Public Comment. There was no Public Comment.

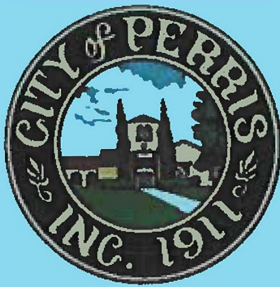
The City Council adjourned to Closed Session at 5:33 p.m.

5. **ADJOURNMENT:**

There being no further business Mayor Vargas adjourned the Special City Council meeting at 7:07 p.m. and there was no reportable action.

Respectfully Submitted,

Nancy Salazar, City Clerk



CITY OF PERRIS

CITY COUNCIL

AGENDA SUBMITTAL

MEETING DATE: April 26, 2022

SUBJECT: Consideration of a Resolution Accepting Kathryn A. Miller's Irrevocable Offer of Dedication for Public Purposes

REQUESTED ACTION: That the City Council adopt Resolution Number (next in order) accepting the Irrevocable Offer of Dedication

CONTACT: Eric L. Dunn, City Attorney

BACKGROUND/DISCUSSION:

While reviewing the title of APN 320-020-010 for a new development consisting of 6 residential units on one parcel, it has come to light that a prior irrevocable offer of dedication for right-of-way had not been formally accepted by the City.

On December 19, 1989, Kathryn A. Miller signed an irrevocable offer of dedication ("IOD") to the City for a portion of the property, APN 320-020-010 for Medical Center Drive right-of-way, which was recorded with the Riverside County Recorder on January 3, 1990. The property is presently owned by Acosta Investments, LLC, a California limited liability company. The City Attorney and City Engineer recommend the City formally accept the dedication by adoption of the resolution attached as Attachment 1 and execution and recordation of a certificate of acceptance.

BUDGET (or FISCAL) IMPACT: None to the City.

Prepared by: Nick Papajohn, Deputy City Attorney

REVIEWED BY:

City Attorney X
 Assistant City Manager _____
 Deputy City Manager ER

- Attachments: 1. Aerial Map of Dedication
2. Resolution Number (next in order)

Consent: X
Public Hearing:
Business Item:
Presentation:
Other:

ATTACHMENT 1

Aerial Map of Dedication

ATTACHMENT 1

AERIAL MAP



*Yellow – Dedication Area

*Red – Residential Units

*Approximations

ATTACHMENT 2

Resolution Number (next in order)

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS
ACCEPTING KATHRYN A. MILLER'S IRREVOCABLE OFFER OF
DEDICATION FOR PUBLIC PURPOSES (APN 320-020-010)**

WHEREAS, pursuant to Government Code § 7050, Kathryn A. Miller, an unmarried woman, made an irrevocable offer of dedication to the City of Perris ("City"), attached hereto as Exhibit "A," of a portion of APN 320-020-010, in the City of Perris, County of Riverside, State of California as more particularly described in the legal description attached to Exhibit A, for street and highway improvement purposes (the "Offer"); and

WHEREAS, Acosta Investments, LLC, a California limited liability company, is the owner of APN 320-020-010 and subject to the terms and conditions of the Offer; and

WHEREAS, pursuant to Government Code section 7050, the City's City Council may accept all or any portion of an irrevocable offer of dedication at any time; and

WHEREAS, the City Council desires to accept the Offer at this time for the public purposes stated therein, namely for public street and highway improvements.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF
THE CITY OF PERRIS AS FOLLOWS:**

Section 1. All of the above-stated recitals are true and correct and incorporated herein by reference.

Section 2. The City Council hereby accepts the Offer for public street and highway improvements.

Section 3. The City Clerk is hereby authorized and directed to cause a Certificate of Acceptance to be recorded on behalf of the City in the Office of the Riverside County Recorder, and to certify the adoption of this resolution. The Mayor, City Manager, and City Clerk are hereby authorized and directed to execute any and all other documents as may be necessary to effect the recordation of the Certificate of Acceptance and its enforcement.

PASSED, APPROVED and ADOPTED, this 26th day of April, 2022.

Mayor

ATTEST:

City Clerk

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF PERRIS)

I, _____, City Clerk of the City of Perris, California, do hereby certify that the foregoing Resolution No. _____ was duly and regularly adopted by the City Council of the City of Perris at a regular meeting thereof held on the 26th day of April, 2022 by the following vote:

Ayes:
Noes:
Absent:
Abstain:

Nancy Salazar

Exhibit “A”

Irrevocable Offer of Dedication

[on following pages]

202207

City Clerk
City Hall
101 North "D" St
Perris, California 92570

Recording Requested By

Small

FREE RECORDING This instrument is for the benefit of the City of Perris and is entitled to be recorded without fee. (Gov Code 6103)

RECEIVED FOR RECORD
AT PERRIS CALIFORNIA
JAN - 3 1990
Recorded in Official Records
of Riverside County
By *Judith A. Wrie*

OFFER OF DEDICATION

On this 15th day of December, 19 1989
KATHRYN A. MILLER, an unmarried woman

irrevocably offers for dedication to the CITY OF PERRIS, a municipal corporation, pursuant to the provisions of California Government Code Section 7050, Streets and Highways Code 1806 for public street and highway purposes, together with all right to construct and maintain utilities, sewers, drains and other improvements consistent with the use as a public street and highway, that real property located in the City of Perris, County of Riverside, State of California and more particularly described as follows:

(SEE EXHIBIT "A" ATTACHED)

DATES: December 15, 1989

Kathryn A. Miller

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss

On December 15, 1989
before, the undersigned, a Notary in
and for said County and State, personally
appeared

KATHRYN A. MILLER
known to me to be the person --- whose
name is subscribed to the
within instrument and acknowledge that
she executed the same.
WITNESS my hand and official seal.

Judith A. Wrie
Notary Public



EXHIBIT "A"



(LEGAL DESCRIPTION PREPARED BY ME OR UNDER MY DIRECTION)

Suresh Oddiah
SURESH ODDIAH R.C.E.36361

ALL THAT PORTION OF LOT 1 IN BLOCK "F" OF MAYFAIR FARMS,
AS PER MAP RECORDED IN BOOK 17 OF MAPS, PAGE 12, IN THE OFFICE
OF THE RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF LOT 1, SAID CORNER
BEING ON THE EAST LINE OF JOHNSON AVENUE AS IT APPEARS ON THE
MAP OF MAYFAIR FARMS; THENCE SOUTH $89^{\circ}36'40''$ EAST ALONG THE SOUTH
LINE OF LOT 1 A DISTANCE OF 15.07 FEET; THENCE LEAVING SAID SOUTH
LINE OF LOT 1, NORTH $38^{\circ}10'20''$ WEST A DISTANCE OF 19.25 FEET TO
A POINT ON A LINE THAT IS PARALLEL WITH AND THAT LIES 33.00 FEET
EAST OF, MEASURED AT RIGHT ANGLES TO, THE CENTERLINE OF JOHNSON
AVENUE; THENCE NORTH $0^{\circ}38'30''$ EAST, ALONG SAID PARALLEL LINE, A
DISTANCE OF 342.17 FEET; THENCE NORTH $44^{\circ}14'13''$ EAST A DISTANCE
OF 31.76 FEET TO A POINT ON A LINE THAT IS PARALLEL WITH AND LIES
50.00 FEET SOUTH OF, MEASURED AT RIGHT ANGLES TO THE CENTERLINE OF
ORANGE AVENUE AS IT APPEARS ON THE MAP OF MAYFAIR FARMS; THENCE
SOUTH $89^{\circ}36'37''$ EAST A DISTANCE OF 25.13 FEET TO THE EAST LINE OF
LOT 1; THENCE NORTH $0^{\circ}38'33''$ EAST ALONG THE EAST LINE OF LOT 1 A
DISTANCE OF 20.00 FEET TO THE NORTHEAST CORNER OF LOT 1, SAID
CORNER BEING ON THE SOUTH LINE OF ORANGE AVENUE; THENCE NORTH
 $89^{\circ}36'37''$ WEST ALONG THE SOUTH LINE OF ORANGE AVENUE A DISTANCE
OF 50.03 FEET TO A POINT OF INTERSECTION WITH THE EAST LINE OF
JOHNSON AVENUE, SAID INTERSECTION ALSO BEING THE NORTHWEST CORNER
OF LOT 1; THENCE SOUTH $0^{\circ}38'30''$ WEST ALONG THE EAST LINE OF
JOHNSON AVENUE A DISTANCE OF 400.12 FEET TO THE TRUE POINT OF
BEGINNING.

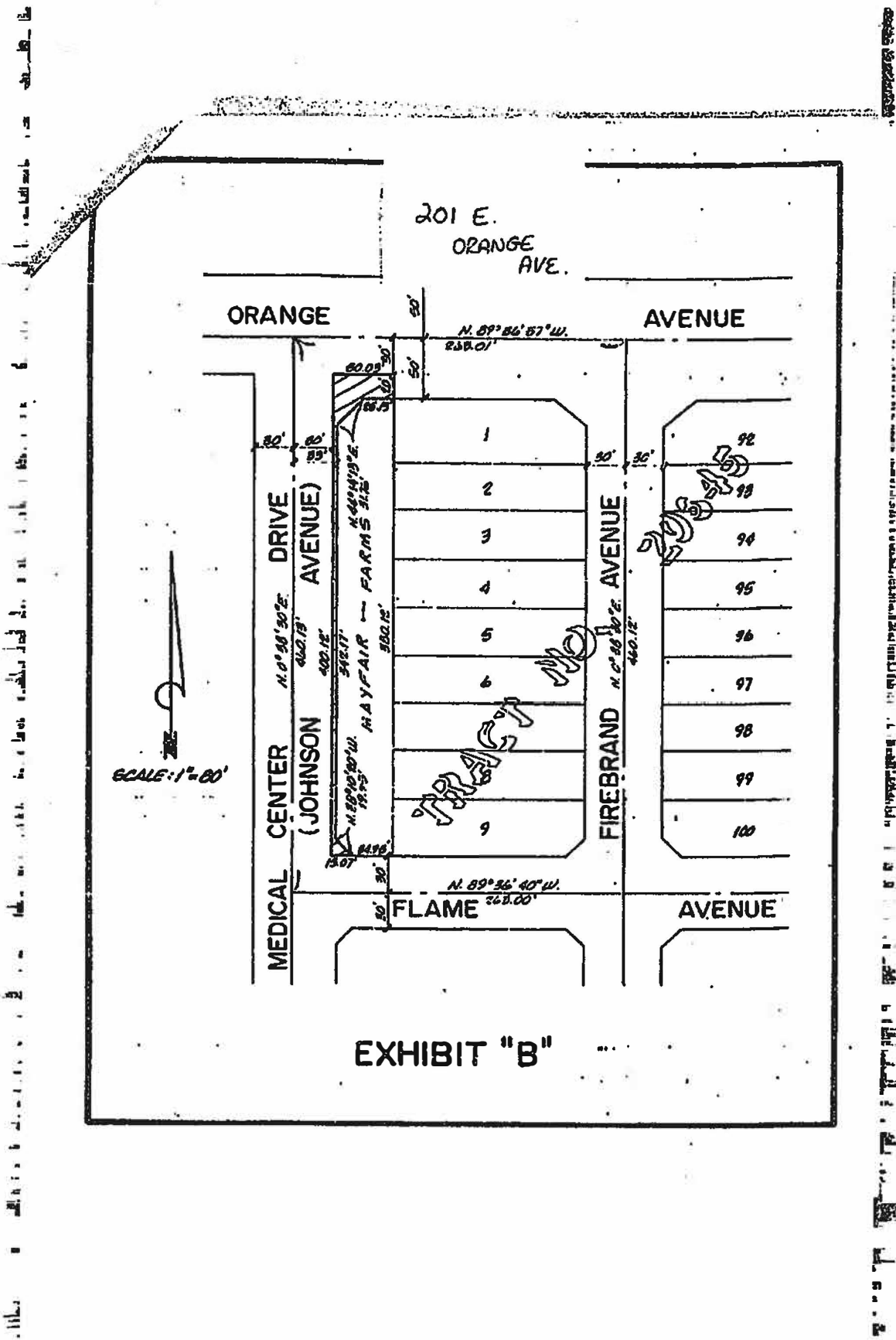


EXHIBIT "B"

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss
CITY OF PERRIS

The City of Perris, a municipal corporation, consents to the hereinabove irrevocable Offer of Dedication, provided, however, this consent does not constitute acceptance of said Offer of Dedication at this time, but said City reserves all rights to accept said dedication at any time hereafter. The undersigned officer consents on behalf of the City Council pursuant to authority conferred by Resolution Number 1200 adopted on April 9, 1984 and the grantee consents to recordation thereof by its duly authorized officer.

Dated: 28 December 1989



City Clerk

Exhibit “B”

Certificate of Acceptance

[on following page]

**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:**

City Clerk, City Hall
101 N. "D" Street
Perris, CA 92570

FREE RECORDING: This instrument is
for the benefit of the City of Perris
and is entitled to be recorded
without fee. (Gov. Code § 6103)

CERTIFICATE OF ACCEPTANCE

This is to certify that the City of Perris, a California municipal corporation ("City"), by and through its City Council, hereby accepts the Offer of Dedication recorded in the Official Records of the Recorder of the County of Riverside, California, on January 3, 1990 as Instrument No. 002207, executed by Kathryn A. Miller, an unmarried woman, of a portion of Assessor's Parcel Number ("APN") 320-020-010, and hereby consents to the recordation hereof by its duly authorized officer. This acceptance is made pursuant to the authority conferred by City Resolution No. _____ adopted on _____, 2022.

Dated: _____, 2022

CITY OF PERRIS, a California
municipal corporation

By: _____
City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney



CITY OF PERRIS

CITY COUNCIL

AGENDA SUBMITTAL

MEETING DATE: April 26, 2022

SUBJECT: Road Closure for Southern California Edison to Remove and Replace Power Poles

REQUESTED ACTION: Approve the requested road closure on Opal Drive between Diamond Way and Turquoise Drive for a single day in May 2022.

CONTACT: Stuart E. McKibbin, Contract City Engineer

BACKGROUND/DISCUSSION:

On Tuesday, April 5, 2022, the Engineering Department received a road closure request from California Traffic Control on behalf of Southern California Edison (SCE). The closure will be on Opal Drive, between Diamond Way and Turquoise Drive.

The Engineering Department has reviewed California Traffic Control Traffic Control Plan and has deemed the closure necessary, because the crane required to remove and replace the power poles would not leave adequate space to safely allow through traffic. The closure is not only for the safety of the public, but also for the safety of the crane crew. Residents will be notified twice. Once two weeks prior, and again three days before the road closure. The Engineering Department recommends Council approval of the road closure for a single day. If Council approves this closure, the work will be scheduled for May 11, 2022.

BUDGET (or FISCAL) IMPACT:

No fiscal impact.

Prepared by: Sharon Erb, Administrative Assistant

REVIEWED BY:

City Attorney _____
 Assistant City Manager _____
 Deputy City Manager SR

Attachments: Vicinity Map
Letter from California Traffic Control

Consent: Yes
Public Hearing:
Business Item:
Presentation:
Other:

ATTACHMENT 1

VICINITY MAP

CITY OF PERRIS - ROAD CLOSURE FOR SCE POLE REMOVAL

VICINITY MAP



TRI LAKE
CONSULTANTS, INC.
CITY ENGINEER
S.C. - ONE 04/03/22



LEGEND:
 WORK AREA



ATTACHMENT 2

LETTER FROM CALIFORNIA TRAFFIC CONTROL



NOTICE OF STREET CLOSURE

To Whom It May Concern,

I would like to request permission for a Road Closure. The closure is needed for a crane to set up to remove and replace Edison Power Poles. The closure will be at the address of 1669 Opal Drive. The closure is scheduled for Wednesday 5/11/22. This closure is not only for the safety of the public, but the safety of the crane crew as well.

Thank you for taking your time. If you have any questions or concerns regarding the street closure, please contact California Traffic Control at 562.595.7575 Monday – Friday 8:00am – 5:00pm.

Respectfully,

Dolores Nix
California Traffic Control
Contractor License #958381

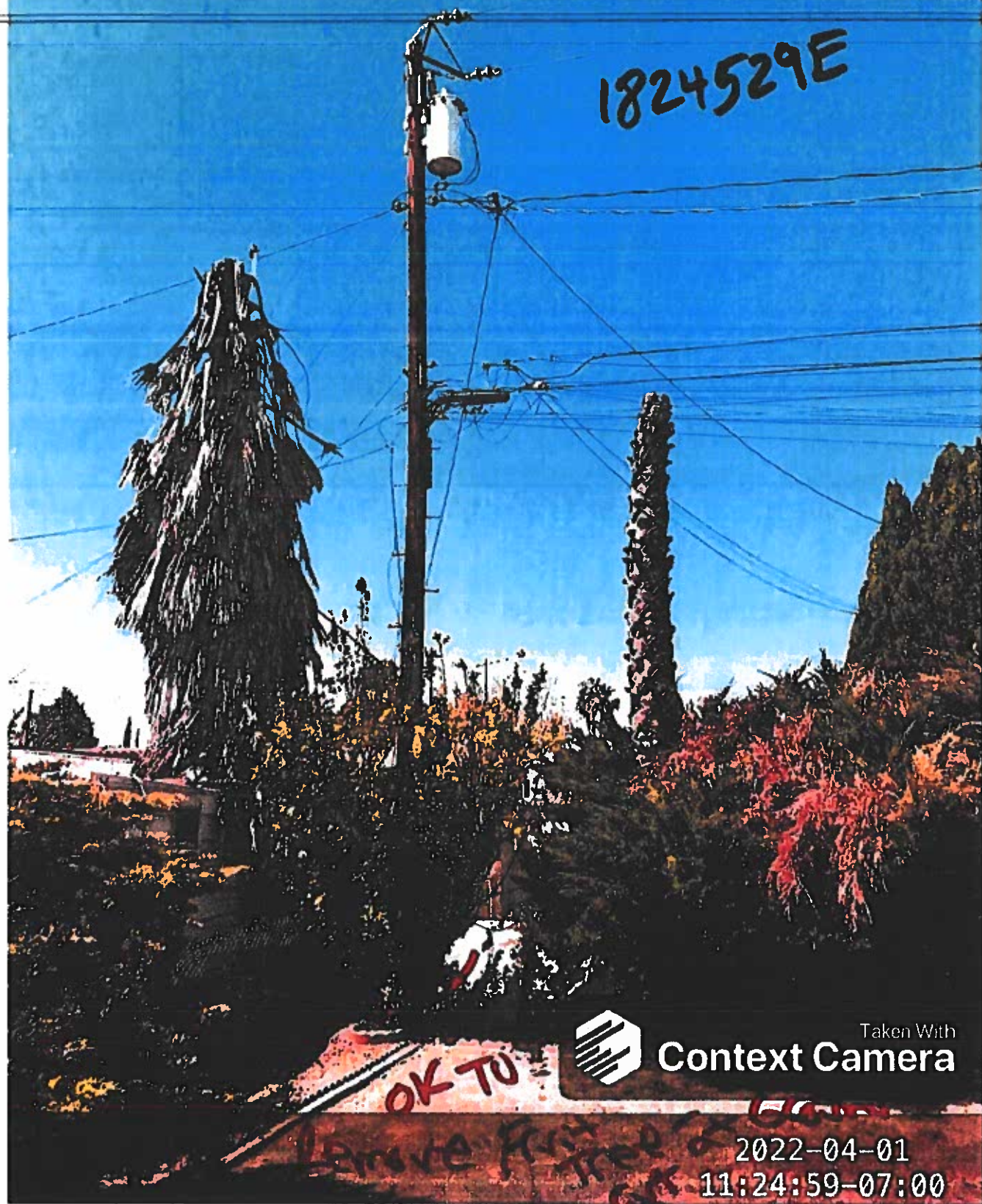
3333 Cherry Ave, Long Beach, Ca 90807
Phone (562) 595-7575 – Fax (562) 595-7797

DIRECTION
258 deg(T)

33.80223°N
117.21777°W

ACCURACY 5 m
DATUM WGS84

1824529E



Taken With
Context Camera

2022-04-01
11:24:59-07:00



10.C.

CITY OF PERRIS

CITY COUNCIL AGENDA SUBMITTAL

MEETING DATE: April 26, 2022

SUBJECT: Senior Center Parking Lot (CIP S133)

REQUESTED ACTION: Approve the plans and specifications for the Senior Center Parking Lot Improvements Project, award contract to Act 1 Construction, Inc., reject all other bids, authorize 10% of the bid amount for soft costs and 10% of the bid amount for construction contingencies, and authorize City Manager to execute the construction contract

CONTACT: Stuart E. McKibbin, Contract City Engineer

BACKGROUND/DISCUSSION:

The Senior Center Parking Lot Improvements Project involves the rehabilitation of the parking lot and entry gate, the installation of a V-ditch, a storm drain box, and an AC dike. Also included in the project will be the restriping of the parking lot and the replacement of the wheel stops.

On April 6, 2022, four bids were revealed via Active Bidder for the Senior Center Parking Lot Improvements Project. Bids ranged from \$190,000 to \$295,788. The Engineer's Estimate was \$225,000. The low bid was submitted by Act 1 Construction, Inc. The proposal has been reviewed and found responsive and responsible. The City Engineer's Office has contacted the Contractor's references and all references responded that the contractor's work was satisfactory. Construction is planned to begin late May 2022, and 30 working days have been allocated to complete the project.

The Senior Center Parking Lot Improvements Project is funded with external contributions – Infrastructure Fund 157 as shown in the attached CIP Sheet S133.

Staff recommends Council to approve the plans and specifications, award the project to Act 1 Construction, Inc., reject all other bids, and authorize 10% of the bid amount for construction contingencies, and 10% of the bid amount for soft costs (inspection, contract administration, survey, geotechnical testing) and authorize the City Manager to execute the construction contract.

BUDGET (or FISCAL) IMPACT:

Funding:
Budget: \$ 299,687.00
Lifetime-to-Date Expenditures: \$ (5,037.50)
Adjusted Budget: \$ 294,649.50

Costs:
Construction Contract: \$ 190,000.00
Soft Costs: \$ 19,000.00
Contingencies: \$ 19,000.00
Construction Contract Total \$ 228,000.00

Adopted Capital Improvements Program Sheet S133 identifies adequate funds to complete the project including 10% of the bid amount for construction contingencies and 10% of the bid amount for soft costs.

Prepared by: Ryan Traylor, Assistant Engineer

REVIEWED BY:

City Attorney _____
Assistant City Manager _____
Deputy City Manager SR

Attachments: Vicinity Map
Bid Results
CIP Sheet S133

Consent: Yes
Public Hearing:
Business Item:
Presentation:
Other:

ATTACHMENT 1

VICINITY MAP

SENIOR CENTER PARKING LOT

VICINITY MAP



S133 Senior Center Parking Lot

ATTACHMENT 2

BID RESULTS

Senior Center Parking Lot Improvements Project

Post Date: 03/09/2022 18:49 PST

Due Date: 04/06/2022 before 14:00 PDT

Estimated Value: \$225,000

Senior Center Parking Lot Improvements Project

Estimated Value: \$225,000

Bid Post Date: 03/09/2022 18:49 PST

Department:

Bid Due Date: 04/06/2022 before 14:00 PDT

Bid Bond: 10%

Performance Bond: 100%

Payment Bond: 100%

License Requirements:

Project Information:

1) Senior Center Parking Lot Improvements Project

Type: PRIMARY

Location: 100 N. D Street
Perris, CA 92570

Project Start Date: 05/01/2022
Project End Date: 06/10/2022

Scope of Services:

The Contractor shall furnish, in accordance with the specifications and drawings, all plant, labor, equipment and materials required for completion of the project.

Senior Center Parking Lot Improvements Project

Post Date: 03/09/2022 18:49 PST

Due Date: 04/06/2022 before 14:00 PDT

Estimated Value: \$225,000

Registered Bidders / 5 total

#	Name	Company	Address	City	State	Phone
1	Carlson, Ed	All American Asphalt	400 E 6th St.	Corona	CA	(951) 736-7600
2	Trenholm, Tiffany	Act 1 Construction, Inc.	444 6th street	norco	California	9517351184
3	Stone, Mimi	NPG, Inc.	1354 Jet Way	Perris	CA	9515368202
4	Stubbs, Michael	ConstructConnect	3825 Edwards Road Suite 800	Cincinnati	Ohio	8003642059
5	Mendoza, Diana	LCR earthwork & Engineering, Corp.				951-934-3231

Senior Center Parking Lot Improvements Project

Post Date: 03/09/2022 18:49 PST

Due Date: 04/06/2022 before 14:00 PDT

Estimated Value: \$225,000

Results / 4 total

#	Name	Company	Address	Phone	Amount	Submitted	Status
1	Trenholm, Tiffany	Act 1 Construction, Inc.	444 6th street norco, California 92860-1758	9517351184	\$190,000	04/06/2022 14:54:43	Apparent Low Bidder
2	Stone, Mimi	NPG, Inc.	1354 Jet Way Perris, CA 92571	9515368202	\$197,482	04/06/2022 15:23:51	
3	Mendoza, Diana	LCR earthwork & Engineering, Corp.		951-934-3231	\$202,500	04/06/2022 12:40:13	
4	Carlson, Ed	All American Asphalt	400 E 6th St. Corona, CA 92878- 2229	(951) 736-7600	\$295,788	04/06/2022 15:44:52	

Senior Center Parking Lot Improvements Project

Post Date: 03/09/2022 18:49 PST

Due Date: 04/06/2022 before 14:00 PDT

Estimated Value: \$225,000

1. Apparent low bidder details for: Trenholm, Tiffany / Act 1 Construction, Inc.

1) Senior Center Parking Lot Improvements Project

Item	UM	Qty	Unit Pricing	Item Total	
Senior Center Parking Lot Improvements					
1	MOBILIZATION	L.S.	1	\$40,000	\$40,000
2	WATER POLLUTION CONTROL	L.S.	1	\$5,326	\$5,326
3	INSTALL STRIPING	L.S.	1	\$6,850	\$6,850
4	P.C.C. 3' "V" DITCH TO INCLUDE REPLACEMENT OF EXISTING AND NEW	L.S.	1	\$3,300	\$3,300
5	P.C.C. 5' "V" DITCH TO INCLUDE REPLACEMENT OF EXISTING AND NEW	L.S.	1	\$7,200	\$7,200
6	A.C. GRIND AND OVERLAY TO INCLUDE ALL A.C. WORK ON THE PROJECT	L.S.	1	\$115,824	\$115,824
7	DROP INLET TO INCLUDE REMOVAL	L.S.	1	\$4,000	\$4,000
8	NEW CALIMET GATE OPERATOR AND KEY PAD PEDESTAL (OR APPROVED EQUAL) WITH FUNCTIONAL LOOPS (INGRESS/EGRESS)	L.S.	1	\$7,500	\$7,500
				Subtotal	\$190,000
				Project Total	\$190,000

Subcontractor information for: Trenholm, Tiffany / Act 1 Construction, Inc.

Subcontractor	License #	Portion	Amount
1 Advantage Unlimited Paving P.O. Box 310005 Fontana, CA	744113	Asphalt Paving	\$80,000

Senior Center Parking Lot Improvements Project

Post Date: 03/09/2022 18:49 PST

Due Date: 04/06/2022 before 14:00 PDT

Estimated Value: \$225,000

File attachment details for: Trenholm, Tiffany / Act 1 Construction, Inc.

File name	Description	Type	Size	Notes
Bid Proposal - Perris	Additional	PDF	652.8 Kb	

ATTACHMENT 3

CIP SHEET S133



10.D.

CITY OF PERRIS

CITY COUNCIL

AGENDA SUBMITTAL

MEETING DATE: April 26, 2022

SUBJECT: Consideration to continue Tele/Video-Conference Meetings During COVID-19 State of Emergency pursuant to the provisions of AB 361.

REQUESTED ACTION: That the City Council Adopt Resolution Number (next in order) Making Findings Pursuant to Assembly Bill 361 that the Proclaimed State of Emergency Continues to Impact the Ability to Meet Safely in Perris for the Period beginning April 26, 2022 through May 26, 2022

CONTACT: Saida Amozgar, Director of Development Services

BACKGROUND/DISCUSSION:

In March of 2020, at the onset of the COVID-19 pandemic, Governor Newsom proclaimed a State of Emergency in California, and issued Executive Order N-25-20 to facilitate the ability of legislative bodies to meet using remote/virtual platforms to comply with health orders. Since that time, several other executive orders were issued that further modified the requirements related to the conduct of teleconferenced meetings during the state of emergency.

These executive orders allowed the City Council, Planning Commission, and other City Committees that are subject to the Brown Act to modify how meetings were conducted to protect the health and safety of staff and the public while ensuring transparency and accessibility for open and public meetings. However, those executive orders were set to expire on October 1, 2021.

On September 16, 2021, Governor Newsom signed AB 361 into law. AB 361 was made effective October 1, 2021, to correspond with the timing of expiration of the executive orders. AB 361 provides agencies the ability to meet remotely during proclaimed state emergencies under modified Brown Act requirements beyond September 30, 2021. The provisions of AB 361 will expire effective January 1, 2024.

On October 12, 2021, the City Council adopted Resolution Number 5863, finding the existence of the criteria necessary to rely on the special teleconferencing provisions provided by AB 361, including the existence of a proclaimed State of Emergency and that local officials have imposed or recommended measures to promote social distancing.

On November 9, 2021, November 30, 2021, December 14, 2021, January 11, 2022, February 8, 2022, March 8, 2022 and March 29, 2022 the City Council adopted Resolution Number 5871, Resolution Number 5886, Resolution Number 5891, Resolution Number 5895, Resolution Number 5929, Resolution Number 5939 and Resolution Number 5955 respectively, finding the continued existence of the criteria necessary to rely on the special teleconferencing provisions provided by AB 361, including the existence of a proclaimed State of Emergency, and that local officials have imposed or recommended measures to promote social distancing.

By adopting this resolution, the City Council has considered the circumstances of the proclaimed State of Emergency and finds that the State of Emergency continues to directly impact the ability of the members to meet safely in person, and state or local officials continue to impose or recommend measures to promote social distancing.

The Proposed Resolution Number (next in order) will remain in effect for a period of 30 days, April 26, 2022 through May 26, 2022. If the City Council wishes to continue meeting under modified Brown Act requirements under AB 361 after 30 days, the Resolution must be renewed.

BUDGET (or FISCAL) IMPACT: There is no impact to the budget for this item.

Prepared by: Judy L. Haughney, Assistant City Clerk

REVIEWED BY:

City Attorney _____
Assistant City Manager _____
Deputy City Manager ER

Attachments: 1. Resolution Number (next in order)

Consent: X
Public Hearing:
Business Item:
Presentation:
Other:

ATTACHMENT 1

Resolution Number (next in order)

RESOLUTION NUMBER (next in order)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, MAKING FINDINGS THAT PURSUANT TO ASSEMBLY BILL 361 THAT THE PROCLAIMED STATE OF EMERGENCY CONTINUES TO IMPACT THE ABILITY TO MEET SAFELY IN PERSON AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE LEGISLATIVE BODIES OF THE CITY OF PERRIS FOR THE PERIOD BEGINNING APRIL 26, 2022 AND ENDING MAY 26, 2022 PURSUANT TO BROWN ACT PROVISIONS.

WHEREAS, the City of Perris is committed to preserving and nurturing public access and participation in meetings of its legislative bodies; and

WHEREAS, all meetings of the City of Perris's legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch the legislative bodies conduct their business; and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the District's boundaries, caused by natural, technological, or human-caused disasters; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, such conditions now exist in the City of Perris, specifically, a state of emergency has been proclaimed by the Governor of the State of California on March 4, 2020 in response to the global outbreak of the novel Coronavirus disease ("COVID-19"); and

WHEREAS, on March 31, 2020 the City Council of the City of Perris ratified the proclamation of a Local Emergency proclaimed on March 24, 2020 by the Director of Emergency Services in response to COVID-19; and

WHEREAS, meeting in person would present a risk of imminent danger to the health and safety of attendees due to the continued impact of the COVID-19 pandemic; and

WHEREAS, the City Council previously adopted Resolution Number 5863 on October 12, 2021, finding that the requisite conditions exist for the legislative bodies of the City to conduct remote teleconference meetings without compliance with Government Code section 54953(b)(3); and

WHEREAS, the City Council previously adopted Resolution Number 5871 on November 9, 2021, Resolution Number 5886 on November 30, 2021, Resolution Number 5891 on December 14, 2021, Resolution Number 5896 on January 11, 2022, Resolution Number 5929 on February 8, 2022, Resolution Number 5939 on March 8, 2022 and Resolution Number 5955 on March 29, 2022 finding that the requisite conditions continued to exist for the legislative bodies of the City to conduct remote teleconference meetings without compliance with Government Code section 54953(b)(3); and

WHEREAS, as a condition of extending the use of the remote teleconference meeting procedures provided in Government Code section 54953(e), the City Council must reconsider the circumstances of the state of emergency, and as of the date of this Resolution, the City Council has done so; and

WHEREAS, a state of emergency persists, as initially identified and described by the Governor in the proclamation of the existence of a state of emergency for the State of California issued as a result of the threat of COVID-19;

WHEREAS, the contagious nature of COVID-19 has caused, and will continue to cause, conditions of peril to the safety of persons within the City of Perris that are likely to be beyond the control of services, personnel, equipment, and facilities of the City of Perris, and thereby reaffirms, reauthorizes, and continues the existence of a local emergency and re-ratifies the proclamation of a state of emergency by the Governor of the State of California; and

WHEREAS, as a consequence of the local emergency, the City Council of the City of Perris does hereby find that the legislative bodies of the City of Perris shall conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that such legislative bodies shall comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and

WHEREAS, the City of Perris offers the option of teleconferencing to ensure access for the public to attend meetings.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PERRIS DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Proclamation of Local Emergency. On March 31, 2020 the City Council of the City of Perris ratified the proclamation of a Local Emergency proclaimed on March 24, 2020 by the Director of Emergency Services.

Section 3. Ratification of Governor's Proclamation of a State of Emergency. The City Council hereby re-ratifies the Governor of the State of California's Proclamation of State of Emergency, effective as of its issuance date of March 4, 2020.

Section 4. Circumstances of Proclaimed State of Emergency. The City Council has hereby reconsidered the circumstances of the Proclaimed State of Emergency and finds that the State of Emergency continues to directly impact the ability of the members to meet safely in person and state or local officials continue to impose or recommend measures to promote social distancing.

Section 5. Remote Teleconference Meetings. The staff, City Manager, and legislative bodies of the City of Perris are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 6. Effective Date of Resolution. This Resolution shall take effect on April 26, 2022 and shall be effective until the earlier of (i) May 26, 2022, which is 30 days from the adoption of this Resolution, or (ii) such time as the City Council adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the legislative bodies of the City of Perris may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

ADOPTED, SIGNED and APPROVED this 26th day of April, 2022.

Mayor, Michael M. Vargas

ATTEST:

City Clerk, Nancy Salazar

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) §
CITY OF PERRIS)

I, Nancy Salazar, CITY CLERK OF THE CITY OF PERRIS, DO HEREBY CERTIFY that the foregoing Resolution Number xxxx was duly adopted by the City Council of the City of Perris at a regular meeting of said Council on the 26th day of April 2022, and that it was so adopted by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

City Clerk, Nancy Salazar



CITY OF PERRIS

CITY COUNCIL AGENDA SUBMITTAL

- MEETING DATE:** April 26, 2022
- SUBJECT:** Consideration to waive the City's transportation development impact facilities fee in the amount of \$71,678.40 for the Downtown Skills Training Center approved by the Planning Commission on September 19, 2019, located at the northeast corner of D Street and 1st Street (APN: 313-091-003). **Applicant:** City of Perris.
- REQUESTED ACTION:** Authorize the City Manager or her designee to waive the City's transportation development impact facilities fee of \$71,678.40 associated with the Downtown Skills Training Center located at the northeast corner of D Street and 1st Street.
- CONTACT:** Kenneth Phung, Director of Development Services
-

BACKGROUND/DISCUSSION:

On September 19, 2019, the Planning Commission approved a 20,000 square foot downtown skills training and job placement center located at the northeast corner of D Street and 1st Street, which has since been reduced to 13,700 square feet due to budgetary constraints. The skills training center will be owned and managed by the City of Perris.

Development of the training center is anticipated to start August 2022, after a competitive bid approval process. In anticipation of the start of construction and in light of the allocated budget, Staff is now requesting a waiver of the City's transportation development impact facilities fee of \$71,678.40, as construction cost has skyrocketed in recent years due to supply chain constraints associated with the pandemic and inflation. The waiver will put the City in the best position to be ready to proceed with development within budget. This fee waiver is consistent with the Western Riverside Council of Government (WRCOG) exemption program, which exempts their Transportation Uniform Impact Fee (i.e., \$52,323.00) for this project as it's a public facility that is owned and operated by a government entity. The combination of the two fee waivers will reduce the remaining permit fees balance from \$190,311.84 to \$52,530.75.

BUDGET (or FISCAL) IMPACT: None. Fees waived is a city development impact fee for transportation facilities fee only.

REVIEWED BY:

City Attorney _____

Assistant City Manager _____

Deputy City Manager ER

- Attachments: 1. Site Plan and Elevation
2. Final Invoice of Fees with balance owed

Consent: X

Public Hearing:

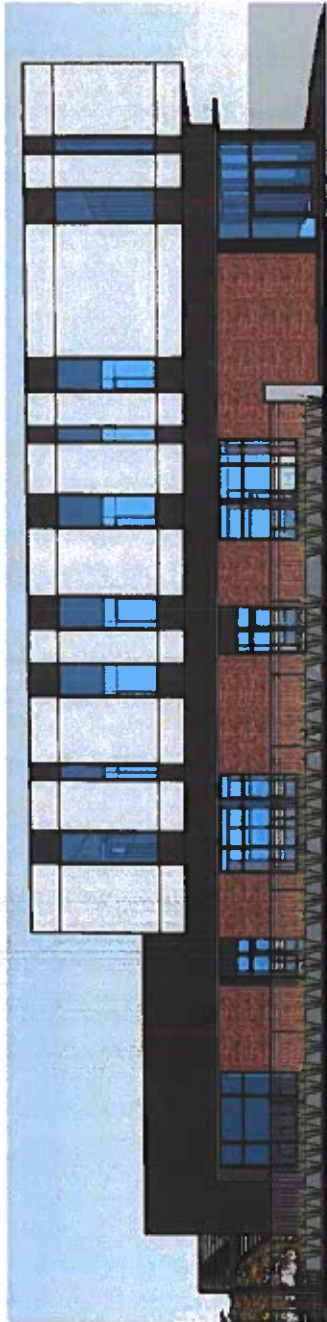
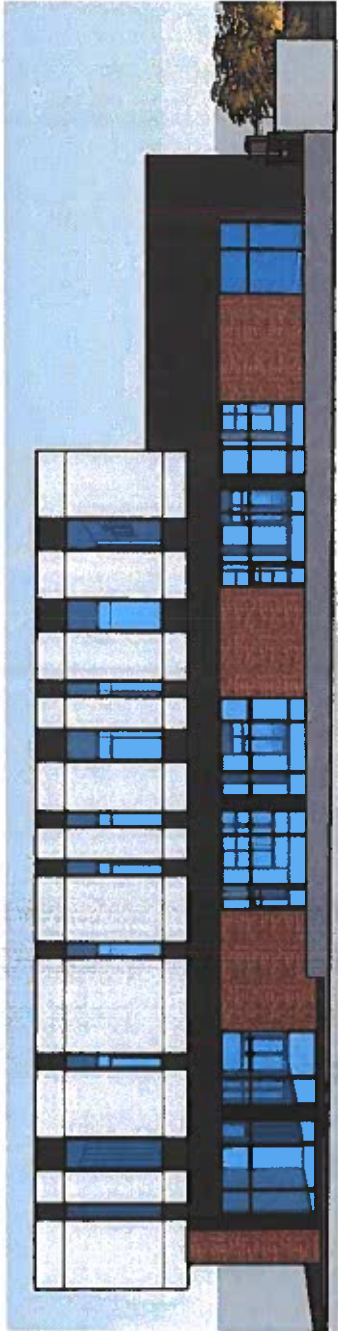
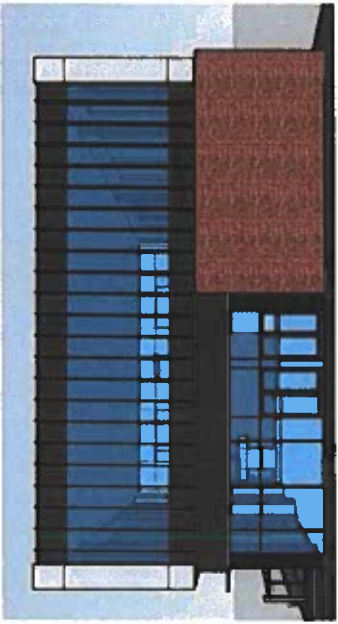
Business Item:

Presentation:

Other:

Attachment 1

Site Plan & Elevation



Attachment 2

Invoice of Fees



City of Perris
135 N. D Street
Perris, CA 92570

Invoice No.: **26031**
Invoice Date: **04/12/2022**

INVOICE

RECORD INFORMATION

Record ID: PMT22-01058
Record Type: Commercial New
Property Address: 19 S D ST, Perris, CA 92570
Description of Work: NEW 2 STORY ADULT JOB SKILLS & TRAINNG FACILITY - +/- 13,700 SF.

FIRST FLOOR 7,866 SF
SECOND FLOOR 5,856 SF
96SF TRASH ENCLOSURE

INCLUDES CLASSROOMS, COMPUTER LAB, CON RESTROOMS, AND OTHER SUPPORT SPACES.

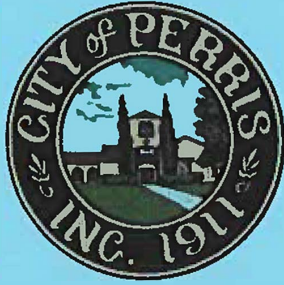
DPR19-00008
ORIGINAL PLAN CHECK FEES PAID UNDER PERMIT 21-01877= \$13,779.69

Applicant:

FEE DETAIL

Fee Description	Quantity	Account Number	Fee Amount
K-Rat Fee	1	2172	\$275.00
Building Permit Fee	1	4141	\$29,333.75
MSHCP Fee - Commercial and Industrial	1	2187	\$8,996.90
Air Handling unit to 10K	9	4142	\$95.85
Appliance Vent	1	4142	\$7.25
SMIP - Commercial New	1	2202	\$1,400.00
Permit Issuance	1	4141	\$23.50
Backflow Protection over 2"	1	4144	\$24.65
Data Processing	1	4146	\$8.45
Commercial/Industrial - Public Safety Facilities - Police	13,700	4811	\$232.90
Bldg/Trailer Sewer	1	4144	\$24.65
Commercial/Industrial - Public Safety Facilities - Fire	13,700	4812	\$1,397.40
SB1473	1	2174	\$200.00
Commercial/Industrial - Community Ammeneties	13,700	4813	\$4,315.50
Drainage/Vent Pipe	35	4144	\$343.00
Power App to 1 HP	3	4143	\$14.25
Commercial/Industrial - Governement Facilities	13,700	4814	\$2,219.40

Fixtures/Traps	22	4144	\$215.60
Power App to 10 HP	12	4143	\$147.60
Gas Piping	9	4144	\$55.35
Power App to 50 HP	8	4143	\$196.80
Heating/Refrig/Evaporative Unit	6	4142	\$82.20
Rain Water Systems	16	4144	\$156.80
Vacuum Breaker	5	4144	\$30.75
Water Heater/Vent	2	4144	\$24.60
Vent Fan w/Duct	8	4142	\$58.00
Receptacle/Switch/Outlets	173	4143	\$190.30
Light Fixtures	311	4143	\$342.10
Meter Installation Charges - Meter Size 3"	2,100	4704	\$2,100.00
Misc Apparatus/Conduit/Conductor	1	4143	\$18.20
			<hr/>
			\$52,530.75



CITY OF PERRIS

CITY COUNCIL AGENDA SUBMITTAL

- MEETING DATE:** April 26, 2022
- SUBJECT:** **Street Vacation 21-05292** – A proposal to summarily vacate a 100-foot-wide northern section of East Frontage Road along Placentia Avenue on the east side of the I-215 Placentia interchange project. **Applicant:** Riverside County Transportation Commission (RCTC).
- REQUESTED ACTION:** **ADOPT a Resolution (next in order)** finding that the proposal is exempt from CEQA pursuant to the common-sense exemption under CEQA guidelines Section 15061 (b) (3); and approving Street Vacation 21-05292, based upon the findings and subject to the Conditions of Approval.
- CONTACT:** Kenneth Phung, Director of Development Services
-

BACKGROUND/DISCUSSION:

RCTC (Riverside County Transportation Commission) is requesting a proposal to summarily vacate a 100-foot-wide northern section of East Frontage Road along Placentia Avenue within the I-215 Placentia interchange project that is currently under construction and is anticipated to be completed during the summer of 2022. The vacation is proposed as the former East Frontage location has been realigned east of its present location to be consistent with street intersection spacing requirements off of a freeway interchange and as the new roadway has already been constructed.

Typically, RCTC begins the process for street vacations during the project closeout activities, but they are moving ahead with this vacation now due to litigation and damage claims from an adjacent property owner. There will be two other street vacations nearby at Susan Lane and the East Frontage Road on the south side of Placentia Avenue that will be brought to the City Council at a future date to complete the necessary street vacations as part of the I-215 Placentia interchange project closeout.

This road vacation is just one element of the continuing cooperation between RCTC and the City regarding the Mid-County Parkway. The Council originally selected an alignment for the Mid-County Parkway in 2011. Since that time, the two agencies have cooperated on RCTC's Placentia Interchange project and the City's Placentia Widening project, two key components of the Mid County Parkway. The cooperation has included right-of-way acquisition, building demolition, landscape design and installation, installation of storm drain improvements, utility relocation, and certain intersection improvements.

The proposed summary Vacation is in accordance with California Streets and Highway Code Section 8330, as the following findings of fact can be made: 1) The vacation does not cut off all access to a person's property which, prior to relocation, adjoin the street or highway; and 2) does not terminate a public service easement.

ENVIRONMENTAL DETERMINATION:

The project is exempt from CEQA under Section 15061 (b) (3) in that the project has no possibility of having a significant effect on the environment. No further CEQA review is required.

BUDGET (or FISCAL) IMPACT: Cost for staff preparation of this item is covered by the applicant.

Prepared by: Nathan Perez, Senior Planner

REVIEWED BY: Kenneth Phung, Director of Development Services

City Attorney _____

Assistant City Manager _____

Deputy City Manager ER

Attachments: 1. City Council Resolution (next in order) including Exhibits A (legal description) & B (Street Vacation Exhibit)
2. Aerial Map

Consent: X

Public Hearing:

Business Item:

Presentation:

Other:

Attachment 1

**City Council Resolution (next in order) including
Exhibits A (legal description) and Exhibit B
(Street Vacation Exhibit)**

RESOLUTION NUMBER (next in order)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, APPROVING STREET VACATION 21-05292 FOR A SUMMARY VACATION, PURSUANT TO STREETS & HIGHWAYS CODE SECTION 8330, OF A 100-FOOT-WIDE NORTHERN SECTION OF EAST FRONTAGE ROAD ALONG PLACENTIA AVENUE ON THE EAST SIDE OF THE I-215 FREEWAY AND PLACENTIA INTERCHANGE PROJECT, BASED UPON THE FINDINGS NOTED HEREIN.

WHEREAS, on December 1, 2022, the applicant, Riverside County Transportation Commission (RCTC), submitted and initiated a Summary Street Vacation by submitting an application (Street Vacation 22-05292) to summarily vacate an unimproved 100-foot-wide northerly section of East Frontage Road between Placentia Avenue and Walnut Street in association with the I-215 Placentia interchange project, which is more particularly described in Exhibits “A” and “B” (“Subject Property”); and

WHEREAS, California Streets and Highway Code Section 8330 *et seq.* permits the City Council to summarily vacate a street or highway that has been superseded by relocation, provided that the vacation would not cut off all access to a person’s property which, prior to relocation, adjoins the street or highway; and does not terminate a public service easement; and

WHEREAS, the summary vacation of the Subject Property is exempt from the California Environmental Quality Act (“CEQA”) under CEQA Regulations Section 15061(b)(3) in that it can be seen with certainty that there is no possibility that the vacation can have an impact on the environment; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Perris, as follows:

Section 1. The above recitals are all true and correct and incorporated herein by this reference.

Section 2. Based upon the forgoing and all written and oral information presented by members of the public and City staff (including agenda reports and attachments submitted by City staff), the City Council finds and determines that the summary vacation of the Subject Property is exempt from CEQA under Section 15061(b)(3) in that it can be seen with certainty that there is no possibility that the vacation can have an impact on the environment. Further, the City Council finds and determines that the City has complied with the California Environmental Quality Act and that City Council determinations reflect the independent judgment of the City Council.

Section 3. Based upon the forgoing and all written and oral information presented by members of the public and City staff (including agenda reports and attachments submitted by City staff), with respect to the summary vacation of the Subject Property pursuant to Streets & Highways Code Section 8330, the City Council hereby finds the following:

1. The Subject Property is a street or highway that has been superseded by relocation.

The portion of East Frontage Road has been relocated east of the old alignment. The original street has been removed, including utilities.

2. The summary vacation of the Subject Property does not cut off all access to a person's property which, prior to relocation, adjoins the street or highway.

The vacation fronts two properties that will not be landlocked. The realignment also provides parcels with frontage to the new street alignment.

3. The summary vacation of the Subject Property does not terminate a public service easement.

The summary vacation of the subject property will not terminate a public service easement.

4. The summary vacation of the Subject Property will not affect the health, safety, and welfare of the residents of the City.

The summary vacation will not affect the health, safety, and welfare of the residents of the City since no construction with this vacation is proposed.

5. The summary vacation of the Subject Property is consistent with the existing land uses and zoning designations in the area.

The summary vacation of the property will not affect the existing land uses, and zoning designation of the area and is consistent with the existing surrounding land uses since the area is within the right-of-way.

6. The summary vacation of the Subject Property is consistent with city standards, ordinances, and policies.

The summary vacation is consistent with the City standards, ordinances, and policy.

7. The summary vacation of the Subject Property is safe, functional, and environmentally sensitive to surrounding properties.

The summary vacation of the property is safe, functional, and environmentally sensitive since it will accommodate the future I-215/Placentia interchange project and mid-county parkway.

Section 4. Based upon the forgoing and all written and oral information presented by members of the public and City staff (including agenda reports and attachments submitted by City staff), with respect to the summary vacation of the Subject Property pursuant to Government Code section 65402(a), the City Council hereby finds the following:

1. No real property is being acquired by dedication or otherwise for street, square, park or other public purposes, and no real property shall be disposed of, no street shall be vacated or abandoned.

The street vacation conforms to the City of Perris General Plan Circulation Element and no real property is being acquired for dedication or otherwise for street square, park or other public purposes.

2. No public building or structure shall be constructed or authorized, if the adopted general plan or part thereof applies thereto for this vacation.

The street vacation does not include any building or structure. The street vacation conforms to the City of Perris Circulation Element.

Section 5. Based upon the forgoing and all written and oral information presented by members of the public and City staff (including agenda reports and attachments submitted by City staff), the City Council does hereby vacate and abandon all of the City's right, title, and interest in the Subject Property, as the Subject Property is described and depicted on Exhibits "A" and "B," pursuant to Streets & Highways Code Section 8330 and Government Code Section 65402(a).

Section 6. The City Council hereby directs that a Notice of Exemption be filed with the County Clerk pursuant to Section 15062 of the CEQA Regulations.

Section 7. The City Council hereby further directs the City Clerk to cause a certified copy of this Resolution of vacation, attested by the City Clerk under the seal of the City, to be recorded in the Office of the County Recorder of Riverside County. Pursuant to Streets & Highways Code Section 8335(b)(4), from and after the date this Resolution is recorded, the Subject Property no longer constitutes a street.

Section 8. All actions heretofore taken by the officers of the City with respect to such street vacations are hereby approved, confirmed, and ratified, and the Mayor and City staff are hereby authorized and directed to take any and all actions which they or the City Attorney may deem necessary or advisable in order to effectuate the purpose and intent of this Resolution (including, without limitation, confirmation of satisfaction of any of the conditions to the effectiveness of the street vacation).

Section 9. The City Council declares that should any provision, section, paragraph, sentence, or word of this Resolution be rendered or declared invalid by any court of competent jurisdiction, or by reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences, and words of this Resolution shall remain in full force and effect.

Section 10. The Mayor shall sign this Resolution, and the City Clerk shall certify to the adoption of this Resolution.

ADOPTED, SIGNED, and APPROVED this 26th day of April 2022.

Mayor, Michael Vargas

ATTEST:

City Clerk, Nancy Salazar

Exhibits A. Legal description & Exhibit B. Street Vacation Exhibit

THE STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) §
CITY OF PERRIS)

I, **Nancy Salazar**, duly elected CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number _____ was duly adopted by the City Council of the City of Perris at a regular meeting thereof held on the 26th day of April 2022, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Nancy Salazar, City Clerk

Exhibit A

Legal Description

EXHIBIT "A"
EAST FRONTAGE ROAD STREET VACATION
LEGAL DESCRIPTION

BEING THAT PORTION OF THE EAST FRONTAGE ROAD (100.00 FEET WIDE) AS SHOWN ON THE MONUMENTATION MAPS FILED AS RIV. CO. 205-228 AND 205-229, LYING IN THE NORTHWEST QUARTER OF SECTION 18, TOWNSHIP 4 SOUTH, RANGE 3 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, BOUNDED ON THE SOUTH BY A LINE BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF THE LAND DESCRIBED IN GRANT DEED RECORDED JULY 18, 1963 AS INSTRUMENT NUMBER 1963-75284, OF OFFICIAL RECORDS, AS SHOWN ON THE MONUMENTATION MAP FILED AS RIV.CO 205-228, RECORDS OF SAID COUNTY, SAID CORNER BEING THE INTERSECTION OF THE WEST LINE OF EAST FRONTAGE ROAD AND NORTH LINE OF PLACENTIA AVENUE AS SHOWN ON SAID MAP;

THENCE ALONG SAID NORTH LINE NORTH 85°19'34" WEST 47.78 FEET;

THENCE LEAVING SAID NORTH LINE NORTH 13°18'04" WEST 87.21 FEET TO THE BEGINNING OF A CURVE CONCAVE WESTERLY HAVING A RADIUS OF 504.00 FEET;

THENCE NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 10°25'37" AN ARC LENGTH OF 91.72 FEET;

THENCE SOUTH 88°18'04" EAST 196.72 FEET TO THE EASTERLY LINE OF SAID EAST FRONTAGE ROAD AND THE POINT OF TERMINATION;

AND;

BOUNDED ON THE NORTH BY THE SOUTHERLY LINE OF A STRIP OF LAND 100 FEET WIDE, THE CENTERLINE OF SAID STRIP BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

STRIP "A":

COMMENCING AT THE INTERSECTION OF THE EASTERLY LINE OF EAST FRONTAGE ROAD WITH THE CENTERLINE OF PLACENTIA AVENUE AS SHOWN ON THE MONUMENTATION MAP FILED AS RIV.CO 205-228, RECORDS OF SAID COUNTY;

THENCE ALONG SAID CENTERLINE SOUTH 88°18'01" EAST 365.35 FEET TO THE POINT OF BEGINNING;

THENCE LEAVING SAID CENTERLINE NORTH 01°41'57" EAST 47.73 FEET TO THE BEGINNING OF A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 800.00 FEET;

THENCE NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF

PARCEL: Southerly Limits

P.O.B. NORTHING: 2,244,652.1015 P.O.B. EASTING: 6,261,197.1468

BEARING: N85°19'34"W DISTANCE: 47.78'
NORTHING: 2,244,655.9947 EASTING: 6,261,149.5281

BEARING: N13°18'04"W DISTANCE: 87.21'
NORTHING: 2,244,740.8699 EASTING: 6,261,129.4628

RADIAL IN: S76°41'56"W RADIAL OUT: N66°16'19"E
DELTA: 10°25'37" RADIUS: 504.00' LENGTH: 91.72'
TANGENT: 45.99' CHORD: 91.59'
NORTHING: 2,244,827.7229 EASTING: 6,261,100.3777

BEARING: S88°18'04"E DISTANCE: 196.72'
NORTHING: 2,244,821.8908 EASTING: 6,261,297.0066

PERIMETER: 423.4278'
AREA: 20,486.69 Square Feet / 0.470 Acres
CLOSING DISTANCE: 196.9781'
CLOSING BEARING: N30°27'41"E
PRECISION: 1:2

PARCEL: Strip A

P.O.B. NORTHING: 2,244,538.1462 P.O.B. EASTING: 6,261,661.3476

BEARING: N01°41'57"E DISTANCE: 43.73'
NORTHING: 2,244,581.8571 EASTING: 6,261,662.6443

RADIAL IN: N88°18'03"W RADIAL OUT: N40°00'13"E
DELTA: 51°41'43" RADIUS: 800.00' LENGTH: 721.80'
TANGENT: 387.56' CHORD: 697.57'
NORTHING: 2,245,218.3802 EASTING: 6,261,377.2662

BEARING: N49°59'47"W DISTANCE: 846.26'
NORTHING: 2,245,762.3881 EASTING: 6,260,729.0290

PERIMETER: 1,611.7943'
AREA: 187,464.13 Square Feet / 4.304 Acres
CLOSING DISTANCE: 1,538.8262'
CLOSING BEARING: N37°17'28"W
PRECISION: 1:1

AREA REPORT

POINT LISTING

2,244,821.891, 6,261,297.007 (Point of Beginning)
2,244,824.864, 6,261,196.757 Curve P.C. (non-tangent)
2,244,767.164, 6,260,048.196 Radius Point
2,245,648.074, 6,260,787.465 Curve P.T.
2,245,333.148, 6,261,162.730 Curve P.C. (non-tangent)
2,244,767.164, 6,260,048.196 Radius Point
2,244,821.891, 6,261,297.007 Curve P.T.
Closing back to P.O.B.

CLOSURE:

Closing line: North, 0.0000 feet
Latitude: 0.0000 feet
Departure: 0.0000 feet
Perimeter: 2,068.5825 feet
Error: 1:206,858,248,064

AREA:

Mapcheck: 66,158.75 square feet, or 1.5188 acres
Full precision: 66,158.75 square feet, or 1.5188 acres

END OF POINT LISTING.

Exhibit B

Street Vacation Exhibit

EXHIBIT "B"

WALNUT STREET



APN: 305-050-055

E. FRONTAGE ROAD
 SEC. 18, T.4S., R.3W.,
 S.B.M.

APN: 305-050-051

GRANT DEED
 REC. 07/18/1963
 INST. NO. 1963-75284, O.R.

$\Delta=10^{\circ}25'37''$
 $R=504.00'$
 $L=91.72'$

$N13^{\circ}18'04''W$
 87.21'

$N85^{\circ}19'34''W$
 47.78'

196.72'

$S88^{\circ}18'04''E$

50' 50'

P.O.B.

$S88^{\circ}18'04''E$ 365.35'

FUTURE
 R/W

P.O.T.

$\Delta=57^{\circ}14'45''$
 $R=800.00'$
 $L=12180'$

PM 10,235

1
 2

P.M.B. 48/30

$N1^{\circ}41'57''E$
 43.73'

T.P.O.B.
 STRIP "A"

PLACENTIA AVENUE





BEARINGS AND DISTANCES ARE IN TERMS OF THE CALIFORNIA COORDINATE SYSTEM OF 1983 (EPOCH 1991.35), ZONE VI. ALL NON-RECORD DISTANCES ARE GRID DISTANCES. TO OBTAIN GROUND DISTANCES DIVIDE GRID DISTANCES SHOWN BY 0.999924951

SCALE

1" = 200'

SHEET 1 OF 1

 DESCRIPTION AREA
 66,159 SQ. FT / 1.519 ACRES

-  AFFECTED PROPERTY
-  CENTERLINE
-  ADJACENT PROPERTY
-  ACCESS RESTRICTIONS



TOWILL | Surveying, Mapping
 and GIS Services

10390 Commerce Center Drive, Suite C-190
 Rancho Cucamonga, CA 91730-5858
 (909) 303-7960 - www.towill.com

Attachment 2

Aerial Map



PROPOSED SUMMARY
VACATION AREA

EAST FRONTAGE Rd

SUSAN Ln

PLACENTIA Ave

WEST FRONTAGE Rd

I-215

WATER Ave

INDIAN Ave



CITY OF PERRIS

CITY COUNCIL

AGENDA SUBMITTAL

MEETING DATE: April 26, 2022

SUBJECT: Rogers, Anderson, Malody and Scott, LLP to provide audit services to the City of Perris for the three fiscal years ending June 30, 2022, June 30, 2023 and June 30, 2024

REQUESTED ACTION: That the City Council approve the contract with Rogers, Anderson, Malody and Scott, LLP for the provision of audit services to the City for the three fiscal years ending June 30, 2022, June 30, 2023 and June 30, 2024

CONTACT: Ernie Reyna, Deputy City Manager *ER*

BACKGROUND/DISCUSSION:

The City's current auditors (The PUN Group) have performed the annual audit of the City for the past three (3) years. Consistent with the general practice for auditor rotation and following the expiration of the three-year contract with the current auditors (The PUN Group), Staff performed a bidding process for the audit services to cover the next three fiscal years ending June 30, 2022, June 30, 2023 and June 30, 2024. As part of the bidding process, Request for Proposal (RFP) was sent to eight audit firms including the current auditors (The Pun Group). Responses were received from three (3) of the audit firms.

The proposals received were evaluated based on nine sets of criteria as follows: 1) total audit fee proposed by the CPA firm, 2) the CPA firm's qualification, 3) the auditor's audit plan to meet the audit deadlines, 4) CPA certification and experience of the staff assigned to the audit, 5) the CPA firms' experience in performing audit of financial statements (ACFR) that won the GFOA award for excellence in financial reporting, 6) total staff hours for completion of the audit, 7) any Federal, State or AICPA Disciplinary actions on the CPA firm, 8) the CPA firm's current list of municipal audit clients and 9) office location of the CPA firm for prompt response to the City's requests. The review criteria were assigned rating scales to reflect the degree to which each proposal addressed the criteria.

Although audit fee was a major consideration of the proposal review and Staff allocated the highest scores to the total all-inclusive audit fees proposed by the CPA firms, the overall focus was to ensure a high-quality audit service that meets all applicable audit standards and reporting deadlines. The City desires a high-quality audit product within the stipulated time schedule. The table below contains a summary of the results of the proposal review. The **3-Year Total Fee** indicated in the table represents the all-inclusive total fees proposed by the CPA firms for the three fiscal years ending June 30, 2022, June 30, 2023 and June 30, 2024.

CPA Firm	3-Year	Overall	
	Total Fee	Score	Rank
Rogers, Anderson, Malody & Scott, LLP	\$ 284,460	94	1st
The PUN Group	\$ 300,000	89	2nd
Eadie Payne LLP	\$ 306,615	75	3rd

As indicated in the table above Rogers, Anderson, Malody and Scott, LLP achieved the highest score of 94. Staff determined that the selection of Rogers, Anderson, Malody and Scott, LLP represents the best interest of the City. The total fees of \$284,460 proposed by Rogers, Anderson, Malody and Scott, LLP is about 3.1% lower than the total fees (\$293,635) the City paid under the existing 3-year audit contract.

City staff recommends that the City Council approve the agreement for audit services with Rogers, Anderson, Malody and Scott, LLP and authorize the City Manager to execute the agreement.

BUDGET (or FISCAL) IMPACT:

The proposed contract is for a three-year term and relates to audit of the City's financial records in accordance with all applicable laws and audit standards for the three fiscal years ending June 30, 2022, June 30, 2023 and June 30, 2024. The audit fee for the first fiscal year ending June 30, 2022 is \$91,695. The fee for the second fiscal year ending June 30, 2023 and the third fiscal year ending June 30, 2024 respectively are \$94,695 and \$98,070. The total all-inclusive fee for the three fiscal years is \$284,460. The audit fees for the first and second fiscal years of the proposed contract have been included in the current FY 2022 and FY 2023 two-year budget. The audit fees for the third year of the proposed contract will be included in the FY 2024 budget.

Prepared by: Stephen Ajobiewe, Finance Manager

REVIEWED BY:

City Attorney _____
Assistant City Manager _____
Deputy City Manager ER

Attachments:

1. Contract Agreement for Provision of Audit Services
2. Technical Proposal – Rogers, Anderson, Malody and Scott, LLP
3. Fee Proposal – Rogers, Anderson, Malody and Scott, LLP
4. Technical and Cost Proposal – The PUN Group
5. Technical and Cost Proposal – Eadie Payne LLP
6. Request for Proposal for Audit Services

Consent: X
Public Hearing:
Business Item:
Presentation:
Other:

ATTACHMENT 1

**CONTRACT AGREEMENT FOR
PROVISION OF AUDIT SERVICES**

CITY OF PERRIS
CONTRACT AGREEMENT FOR
PROVISION OF AUDIT SERVICES

This Contract Services Agreement ("Agreement") is made and entered into this _____ day of _____, 2022, by and between the City of Perris, a municipal corporation ("City"), and Rogers, Anderson, Malody and Scott, LLP, a California company, hereinafter referred to as Rogers, Anderson, Malody and Scott, LLP ("Consultant"). The term Consultant includes professionals performing in a consulting capacity. The parties hereto agree as follows:

1.0 SERVICES OF CONSULTANT

1.1 Scope of Services. In compliance with all terms and conditions of this Agreement, Consultant shall provide the work and services specified in the "Scope of Services" attached hereto as *Exhibit "A"* and incorporated herein by this reference. Consultant warrants that all work or services set forth in the Scope of Services will be performed in a competent, professional and satisfactory manner.

1.2 Consultant's Proposal. The Scope of Services shall include the Consultant's proposal or bid which shall be incorporated herein by this reference as though fully set forth herein. In the event of any inconsistency between the terms of such proposal and this Agreement, the terms of this Agreement shall govern.

1.3 Compliance with Law. All work and services rendered hereunder shall be provided in accordance with all ordinances, resolutions, statutes, rules, and regulations of the City and any Federal, State or local governmental agency having jurisdiction.

1.4 Licenses, Permits, Fees and Assessments. Consultant shall obtain at its sole cost and expense, such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement. Consultant shall have the sole obligation to pay for any fees, assessments, taxes, including applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Consultant's performance of the services required by this Agreement; and shall indemnify, defend and hold harmless City against any claim for such fees, assessments, taxes, penalties or interest levied, assessed or imposed against City hereunder.

1.5 Familiarity with Work. By executing this Agreement, Consultant warrants that Consultant (a) has thoroughly investigated and considered the scope of services to be performed, (b) has carefully considered how the work and services should be performed, and (c) fully understands the facilities, difficulties and restrictions attending performance of the services under this Agreement.

1.6 Additional Services. City shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is first given by the Contract Officer to

the Consultant, incorporating therein any adjustment in (i) the Contract Sum, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Consultant. Any increase in compensation of up to five percent (5%) of the Contract Sum or \$25,000, whichever is less, may be approved by the Contract Officer. Any greater increases, taken either separately or cumulatively must be approved by the City Council. It is expressly understood by Consultant that the provisions of this Section shall not apply to services specifically set forth in the Scope of Services or reasonably contemplated therein. Consultant hereby acknowledges that it accepts the risk that the services to be provided pursuant to the Scope of Services may be more costly or time consuming than Consultant anticipates and that Consultant shall not be entitled to additional compensation therefor.

1.7 Special Requirements. Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the "Special Requirements" attached hereto as *Exhibit "B"* and incorporated herein by this reference. In the event of a conflict between the provisions of *Exhibit "B"* and any other provisions of this Agreement, the provisions of *Exhibit "B"* shall govern.

1.8 Environmental Laws. Consultant shall comply with all applicable environmental laws, ordinances, codes and regulations of Federal, State, and local governments. Consultant shall also comply with all applicable mandatory standards and policies relating to energy efficiency.

2.0 COMPENSATION

2.1 Contract Sum. For the services rendered pursuant to this Agreement, Consultant shall be compensated in accordance with the "Schedule of Compensation" attached hereto as *Exhibit "C"* and incorporated herein by this reference, but not exceeding the maximum contract amount of two hundred eighty-four thousand four hundred and sixty dollars (\$284,460) ("Contract Sum"), except as provided in Section 1.6. The method of compensation may include: (i) a lump sum payment upon completion, (ii) payment in accordance with the percentage of completion of the services, (iii) payment for time and materials based upon the Consultant's rates as specified in the Schedule of Compensation, but not exceeding the Contract Sum or (iv) such other methods as may be specified in the Schedule of Compensation. Compensation may include reimbursement for actual and necessary expenditures approved by the Contract Officer in advance if specified in the Schedule of Compensation. The Contract Sum shall include the attendance of Consultant at all project meetings reasonably deemed necessary by the City.

Consultant agrees that if Consultant becomes aware of any facts, circumstances, techniques, or events that may or will materially increase or decrease the cost of the work or services or, if Consultant is providing design services, the cost of the project being designed, Consultant shall promptly notify the Contract Officer of said fact, circumstance, technique or event and the estimated increased or decreased cost related thereto and, if Consultant is providing design services, the estimated increased or decreased cost estimate for the project being designed.

2.2 Method of Payment. Unless some other method of payment is specified in the Schedule of Compensation, in any month in which Consultant wishes to receive payment, no later than the first (1st) working day of such month, Consultant shall submit to the City, in a form approved by the City's Director of Finance, an invoice for services rendered prior to the date of the invoice. Except as provided in Section 7.2, City shall pay Consultant for all expenses stated

thereon which are approved by City pursuant to this Agreement generally within thirty (30) days, and no later than forty-five (45) days, from the submission of an invoice in an approved form.

2.3 Availability of Funds. It is mutually understood between the parties that this Agreement is valid and enforceable only if sufficient funds are made available by the City Council of the City for the purposes of this Agreement. The availability of funding is affected by matters outside the City's control, including other governmental entities. Accordingly, the City has the option to void the whole Agreement or to amend the Agreement to reflect unanticipated reduction in funding for any reason.

3.0 PERFORMANCE SCHEDULE

3.1 Time of Essence. Time is of the essence in the performance of this Agreement.

3.2 Schedule of Performance. Consultant shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within the time period(s) established in the "Schedule of Performance" attached hereto as *Exhibit "D"*, if any, and incorporated herein by this reference.

3.3 Force Majeure. The time period(s) specified in the Schedule of Performance for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Consultant, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the City, if the Consultant shall, within ten (10) days of the commencement of such delay, notify the Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of delay and extend the time for performing the services for the period of the enforced delay when and if, in the judgment of the Contract Officer, such delay is justified. The Contract Officer's determination shall be final and conclusive upon the parties to this Agreement. In no event shall Consultant be entitled to recover damages against the City for any delay in the performance of this Agreement, however caused; Consultant's sole remedy being extension of the Agreement pursuant to this Section.

3.4 Term. Unless earlier terminated in accordance with Section 7.4 below, this Agreement shall continue in full force and effect for three (3) years from the date hereof. The services shall cover the audit of the City's financial transactions for the fiscal years ending June 30, 2022, June 30, 2023 and June 30, 2024 in line with the City's Request for Proposal for Audit Services as well as the Consultant's Technical Proposal dated April 15, 2022 and Cost Proposal dated April 15, 2022. The City may decide on a maximum of two extensions of the contract for a duration of one year each.

4.0 COORDINATION OF WORK

4.1 Representative of Consultant. Terry Shea is hereby designated as being the representative of Consultant authorized to act on its behalf with respect to the work or services specified herein and to make all decisions in connection therewith.

It is expressly understood that the experience, knowledge, capability and reputation of the representative was a substantial inducement for City to enter into this Agreement. Therefore, the representative shall be responsible during the term of this Agreement for directing all activities of Consultant and devoting sufficient time to personally supervise the services hereunder. For purposes of this Agreement, the representative may not be replaced nor may his responsibilities be substantially reduced by Consultant without the express written approval of City.

4.2 Contract Officer. The City's City Manager is hereby designated as the representative of the City authorized to act in its behalf with respect to the work and services and to make all decisions in connection therewith ("Contract Officer"). It shall be the Consultant's responsibility to assure that the Contract Officer is kept informed of the progress of the performance of the services and the Consultant shall refer any decisions which must be made by City to the Contract Officer. The City may designate another Contract Officer by providing written notice to Consultant.

4.3 Prohibition Against Subcontracting or Assignment. The experience, knowledge, capability and reputation of Consultant, its principals and employees were a substantial inducement for the City to enter into this Agreement. Therefore, Consultant shall not contract with any other entity to perform in whole or in part the services required hereunder without the express written approval of the City. In addition, neither this Agreement nor any interest herein may be transferred or assigned without the prior written approval of City. Transfers restricted hereunder shall include the transfer to any person or group of persons acting in concert of more than twenty five percent (25%) of the present ownership and/or control of Consultant taking all transfers into account on a cumulative basis. A prohibited transfer or assignment shall be void. No approved transfer shall release the Consultant or any surety of Consultant of any liability hereunder without the express consent of City.

4.4 Independent Contractor. Neither the City nor any of its employees shall have any control over the manner or means by which Consultant, its agents or employees, perform the services required herein, except as otherwise set forth herein. Consultant shall perform all services required herein as an independent contractor of City and shall remain under only such obligations as are consistent with that role. Consultant shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City. City shall not in any way or for any purpose become or be deemed to be a partner of Consultant in its business or otherwise or a joint venturer or a member of any joint enterprise with Consultant.

5.0 INSURANCE AND INDEMNIFICATION

5.1 Insurance. Consultant shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to City, during the entire term of this Agreement including any extension thereof, the following policies of insurance:

(a) Commercial General Liability Insurance. A policy of commercial general liability insurance using Insurance Services Office "Commercial General Liability" policy form CG 00 01, with an edition date prior to 2004, or the exact equivalent. Coverage for an additional insured shall not be limited to its vicarious liability. Defense costs must be paid in addition to

limits. Limits shall be no less than \$1,000,000.00 per occurrence for all covered losses and no less than \$2,000,000.00 general aggregate.

(b) Workers' Compensation Insurance. A policy of workers' compensation insurance on a state-approved policy form providing statutory benefits as required by law with employer's liability limits no less than \$1,000,000.00 per accident for all covered losses.

(c) Automotive Insurance. A policy of comprehensive automobile liability insurance written on a per occurrence basis in an amount not less than \$1,000,000.00 per accident, combined single limit. Said policy shall include coverage for owned, non-owned, leased and hired cars.

(d) Professional Liability or Error and Omissions Insurance. A policy of professional liability insurance in an amount not less than \$1,000,000.00 per claim with respect to loss arising from the actions of Consultant performing professional services hereunder on behalf of the City.

All of the above policies of insurance shall be primary insurance. The general liability policy shall name the City, its officers, employees and agents ("City Parties") as additional insureds and shall waive all rights of subrogation and contribution it may have against the City and the City's Parties and their respective insurers. All of said policies of insurance shall provide that said insurance may be not cancelled without providing thirty (30) days prior written notice by registered mail to the City. In the event any of said policies of insurance are cancelled or amended, Consultant shall, prior to the cancellation or amendment date, submit new evidence of insurance in conformance with this Section 5.1 to the Contract Officer. No work or services under this Agreement shall commence until Consultant has provided City with Certificates of Insurance or appropriate insurance binders evidencing the above insurance coverages and said Certificates of Insurance or binders are approved by City.

Consultant agrees that the provisions of this Section 5.1 shall not be construed as limiting in any way the extent to which Consultant may be held responsible for the payment of damages to any persons or property resulting from Consultant's activities or the activities of any person or persons for which Consultant is otherwise responsible.

The insurance required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the Risk Manager of the City due to unique circumstances.

In the event that the Consultant is authorized to subcontract any portion of the work or services provided pursuant to this Agreement, the contract between the Consultant and such subcontractor shall require the subcontractor to maintain the same policies of insurance that the Consultant is required to maintain pursuant to this Section 5.1.

5.2 Indemnification.

(a) Indemnity for Professional Liability. When the law establishes a professional standard of care for Consultant's services, to the fullest extent permitted by law, Consultant shall indemnify, defend and hold harmless City and the City's Parties from and against any and all losses, liabilities, damages, costs and expenses, including attorneys' fees and costs to the extent same are caused in whole or in part by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees of subcontractors (or any entity or individual for which Consultant shall bear legal liability) in the performance of professional services under this Agreement.

(b) Indemnity for Other Than Professional Liability. Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless City and City's Parties from and against any liability (including liability for claims, suits, actions, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorneys' fees and costs, court costs, defense costs and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or entity for which Consultant is legally liable, including but not limited to officers, agents, employees or subcontractors of Consultant.

6.0 **RECORDS AND REPORTS**

6.1 Reports. Consultant shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement as the Contract Officer shall require.

6.2 Records. Consultant shall keep, and require subcontractors to keep, such books and records as shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services. The Contract Officer shall have full and free access to such books and records at all times during normal business hours of City, including the right to inspect, copy, audit and make records and transcripts from such records. Such records shall be maintained for a period of three (3) years following completion of the services hereunder, and the City shall have access to such records in the event any audit is required.

6.3 Ownership of Documents. All drawings, specifications, reports, records, documents and other materials prepared by Consultant, its employees, subcontractors and agents in the performance of this Agreement shall be the property of City and shall be delivered to City upon request of the Contract Officer or upon the termination of this Agreement and Consultant shall have no claim for further employment or additional compensation as a result of the exercise by City of its full rights of ownership of such documents and materials. Consultant may retain copies of such documents for its own use and Consultant shall have an unrestricted right to use the

concepts embodied therein. Any use of such completed documents by City for other projects and/or use of uncompleted documents without specific written authorization by the Consultant will be at the City's sole risk and without liability to Consultant and the City shall indemnify the Consultant for all damages resulting therefrom. All subcontractors shall provide for assignment to City of any documents or materials prepared by them, and in the event Consultant fails to secure such assignment, Consultant shall indemnify City for all damages resulting therefrom.

7.0 ENFORCEMENT OF AGREEMENT

7.1 California Law. This Agreement shall be construed and interpreted both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Riverside, State of California, or any other appropriate court in such county, and Consultant agrees to submit to the personal jurisdiction of such court in the event of such action.

7.2 Retention of Funds. Consultant hereby authorizes City to deduct from any amount payable to Consultant (whether or not arising out of this Agreement) (i) any amounts the payment of which may be in dispute hereunder or which are necessary to compensate City for any losses, costs, liabilities, or damages suffered by City, and (ii) all amounts for which City may be liable to third parties, by reason of Consultant's acts or omissions in performing or failing to perform Consultant's obligation under this Agreement. In the event that any claim is made by a third party, the amount or validity of which is disputed by Consultant, City may withhold from any payment due, without liability for interest because of such withholding, an amount sufficient to cover such claim. The failure of City to exercise such right to deduct or to withhold shall not, however, affect the obligations of the Consultant to insure, indemnify, and protect City as elsewhere provided herein.

7.3 Waiver. No delay or omission in the exercise of any right or remedy by a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. A party's consent to or approval of any act by the other party requiring the party's consent or approval shall not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

7.4 Termination Prior to Expiration of Term. Either party may terminate this Agreement at any time, with or without cause, upon thirty (30) days' written notice to the other party. Upon receipt of any notice of termination, Consultant shall immediately cease all work or services hereunder except such as may be specifically approved by the Contract Officer. Consultant shall be entitled to compensation for the reasonable value of the work product actually produced prior to the effective date of the notice of termination and for any services authorized by the Contract Officer thereafter in accordance with the Schedule of Compensation and City shall be entitled to reimbursement for any compensation paid in excess of the services rendered.

7.5 Completion of Work After Termination for Default of Consultant. If termination is due to the failure of the Consultant to fulfill its obligations under this Agreement, City may, after compliance with the provisions of Section 7.2, take over the work and prosecute the same to

completion by contract or otherwise, and the Consultant shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the City shall use reasonable efforts to mitigate such damages), and City may withhold any payments to the Consultant for the purpose of set-off or partial payment of the amounts owed the City as previously stated.

7.6 Attorneys' Fees. If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, shall be entitled to reasonable attorneys' fees, whether or not the matter proceeds to judgment, and to all other reasonable costs for investigating such action, taking depositions and discovery, including all other necessary costs the court allows which are incurred in such litigation.

8.0 CITY OFFICERS AND EMPLOYEES: NON-DISCRIMINATION

8.1 Non-liability of City Officers and Employees. No officer or employee of the City shall be personally liable to the Consultant, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Consultant or to its successor, or for breach of any obligation of the terms of this Agreement.

8.2 Conflict of Interest; City. No officer or employee of the City shall have any financial interest in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which affects his financial interest or the financial interest of any corporation, partnership or association in which he is interested, in violation of any State statute or regulation.

8.3 Conflict of Interest; Consultant. Consultant warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement. Consultant shall comply with all conflict of interest laws and regulations including, without limitation, City's Conflict of Interest Code which is on file in the City Clerk's office. Accordingly, should the City Manager determine that Consultant will be performing a specialized or general service for the City and there is substantial likelihood that the Consultant's work product will be presented, either written or orally, for the purpose of influencing a governmental decision, the Consultant and its officers, agents or employees, as applicable, shall be subject to the City's Conflict of Interest Code.

8.4 Covenant Against Discrimination. Consultant covenants that, by and for itself, its executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the performance of this Agreement. Consultant shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin or ancestry.

9.0 MISCELLANEOUS PROVISIONS

9.1 Notice. Any notice or other communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent

by prepaid, first-class mail, in the case of the City, to the City Manager and to the attention of the Contract Officer, City of Perris, 101 North "D" Street, Perris, CA 92570, and in the case of the Consultant, to the person at the address designated on the execution page of this Agreement. Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated at the time personally delivered or in seventy-two (72) hours from the time of mailing if mailed as provided in this Section.

9.2 Interpretation. The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

9.3 Integration; Amendment. It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. This Agreement may be amended at any time by an instrument in writing signed by both parties.

9.4 Severability. Should a portion of this Agreement be declared invalid or unenforceable by a judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining portions of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

9.5 Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have executed and entered into this Agreement as of the date first written above.

ATTEST:

"CITY"
CITY OF PERRIS

By: _____
Nancy Salazar, City Clerk

By: _____
Michael M. Vargas, Mayor

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: _____
Eric L. Dunn, City Attorney

"CONSULTANT"
Rogers, Anderson, Malody and Scott, LLP, a
California Company

By: _____
Signature

Terry P. Shea, Engagement Partner

By: _____
Signature

Scott W. Manno, Concurring Partner

(Corporations require two signatures; *one from each* of the following: A. Chairman of Board, President, any Vice President; *AND B.* Secretary, Assistant Secretary, Treasurer, Assistant Treasurer, or Chief Financial Officer.)

[END OF SIGNATURES]

EXHIBIT "A"

SCOPE OF SERVICES

- A. The audit services include the audit of the City's Comprehensive Annual Financial Report and the Financial Statements of the Component Units for the fiscal years ending June 30, 2022, 2023, and 2024. The audits are to be performed in accordance with the provisions contained in this request for proposals, all applicable laws and auditing standards. The auditor shall express opinion on the fair presentation of the CAFR and the Component Units financial statements as listed below.
- City-wide ACFR
 - Perris Community Economic Development Corporation Financial Statements
 - Perris Housing Authority Financial Statements
 - Perris Joint Powers Authority Financial Statements
 - Perris Public Utility Authority Financial Statements
 - Perris Public Financing Authority Financial Statements
- B. The auditors will perform single audit in line with the Single Audit requirements stipulated in **Subpart F, Audit Requirements outlined in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements**. The auditor will produce and submit the required Single Audit Report for the fiscal years ending June 30, 2022, 2023 and 2024.
- C. The audit services will also include audit procedures in compliance with the *Agreed-upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIII B of the California Constitution*. The auditor is required to issue opinion based on the performance of the agreed-upon procedures for the fiscal years ending June 30, 2022, 2023 and 2024.
- D. The audit services further include preparation of the California State Controller Cities Financial Transactions Report, and Special Districts Financial Transactions Report for the Perris Joint Powers Authority, Perris Public Financing Authority and the Perris Public Utility Authority for the fiscal years ending June 30, 2022, 2023 and 2024.
- E. Finally, the audit services include preparation of the **Federal Return of Organization Exempt from Income Tax (Form 990)** and **California Exempt Organization Annual Information Return (Form 199)** of the Perris Community Economic Development Corporation (CEDC) for the fiscal years ending June 30, 2022, 2023 and 2024. CEDC is a 501(c)3 exempt organization.
- F. **Reports to be issued:** After completion of the audit of the fiscal year's financial statements, the auditor shall issue reports as required by generally accepted auditing standards, Government Auditing standards, the Uniform Guidance, and the California State Controller Audit Instructions Letters, including but not limited to the following:

- A report on the fair presentation of the Annual Comprehensive Financial Report of the City in conformity with generally accepted accounting principles.
 - A report on the fair presentation of the financial statements of the Perris Community Economic Development Corporation (CEDC), Perris Housing Authority, Perris Joint Powers Authority, Perris Financing Authority, and Perris Public Utility Authority in conformity with generally accepted accounting principles.
 - A report on compliance and on internal control over financial reporting based on an audit performed in accordance with *Government Auditing Standards*.
 - A report on the Schedule of Expenditures of Federal Awards.
 - Report on Cities Financial Transactions of the City of Perris in compliance with the California State Controller's instructions Letters.
 - Report on Special Districts Financial Transactions of the Perris Joint Powers Authority, Perris Public Financing Authority and Perris Public Utility Authority in compliance with the California State Controller's instructions Letters.
 - A Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance
 - A report on agreed-Upon Procedures Applied to Appropriations Limits prescribed by *Article XIII B of the California Constitution*.
 - Federal Return of Organization Exempt from Income Tax (Form 990) and California Exempt Organization Annual Information Return (Form 199) of the Perris Community Economic Development Corporation (CEDC).
- G. The auditor shall communicate in a letter to the City Council any reportable conditions found during the audit. A reportable condition shall be defined as a material weakness or significant deficiency. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

EXHIBIT "B"

SPECIAL REQUIREMENTS

A. Auditing Standards to be followed: To meet the requirements of this request for proposals, the audit shall be performed in accordance with the following:

- Generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants,
- The standards for financial audits set forth in the U.S. Comptroller General's *Government Auditing Standards*,
- Provisions of the Title 2, Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart F – Audit Requirements (Uniform Guidance)
- California State Controller audit instructions letters.

B. Special Considerations: The City of Perris must send, in a timely manner, its Annual Comprehensive Financial Report (ACFR) to the Government Finance Officers Association of the United States and Canada for review regarding the Certificate of Achievement for Excellence in Financial Reporting program. The City will not allow an extension on submission for this program.

- The City must submit its ACFR and Component Units financial statements in compliance with bonds reporting requirements and cannot entertain any delay in completing the ACFR and component financial statements.
- The City currently anticipates it will prepare one or more official statements in connection with the sale of debt securities which will contain the basic financial statements and the auditor's opinion thereon. The auditor shall be required, if requested by the City's financial advisor and/or the underwriter, to issue a "consent and citation of expertise" as the auditor and any necessary "comfort letters".
- The Schedule of Expenditures of Federal/State Awards and related auditor's report, as well as the reports on compliance and internal controls are not to be included in the comprehensive annual financial report, but are to be issued separately.

EXHIBIT "C"

SCHEDULE OF COMPENSATION

Total all-inclusive price

Summary of all-inclusive fees

	Amount
Fiscal Year 2021/2022	\$ 83,195
Fiscal Year 2022/2023	85,945
Fiscal Year 2023/2024	89,120
Grand Total	\$ 258,260

Single Audit

Fiscal Year 2021/2022	\$ 5,000
Fiscal Year 2022/2023	\$ 5,250
Fiscal Year 2023/2024	\$ 5,450

For the first major program, each additional major program will be \$3,500.

SUMMARY OF FEES				
	Regular - Audit	Single Audit - First Major Program	Single Audit - Additional Major Program	TOTAL
Fiscal Year 2021/2022	\$ 83,195	\$ 5,000	\$ 3,500	\$ 91,695
Fiscal Year 2022/2023	85,945	5,250	3,500	94,695
Fiscal Year 2023/2024	89,120	5,450	3,500	98,070
TOTAL	\$ 258,260	\$ 15,700	\$ 10,500	\$ 284,460

Total all-inclusive fees - Fiscal year 2021/2022

	<u>Hours</u>	<u>Standard Hourly Rates</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partner	60	\$ 305	\$ 260	\$ 15,600
Manager	60	205	155	9,300
Senior	178	150	135	24,030
Staff	<u>242</u>	110	100	<u>24,200</u>
	<u>540</u>			
Sub-Total				73,130
Out-of-pocket expenses				-
Preparation of ACFR and Component Unit Financial Statements				3,000
Preparation of Financial Transaction Reports for the City and Special Districts				5,000
Agreed-Upon procedures regarding appropriations limit				500
Preparation of the non-profit tax return - Community Economic Development Foundation				<u>1,565</u>
Total all-inclusive price (Fiscal Year 2021/2022)				<u>\$ 83,195</u>

Total all-inclusive fees - Fiscal year 2022/2023

	<u>Hours</u>	<u>Standard Hourly Rates</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partners	60	\$ 310	\$ 260	\$ 15,600
Manager	60	205	160	9,600
Senior	178	155	140	24,920
Staff	<u>242</u>	115	105	<u>25,410</u>
	<u>540</u>			
Sub-Total				75,530
Out-of-pocket expenses				<u>-</u>
Preparation of ACFR and Component Unit Financial Statements				3,080
Preparation of Financial Transaction Reports for the City and Special Districts				5,200
Agreed-Upon procedures regarding appropriations limit				520
Preparation of the non-profit tax return - Community Economic Development Foundation				<u>1,615</u>
Total all-inclusive price (Fiscal Year 2022/2023)				<u>\$ 85,945</u>

Total all-inclusive fees - Fiscal year 2023/2024

	<u>Hours</u>	<u>Standard Hourly Rates</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partners	60	\$ 310	\$ 265	\$ 15,900
Manager	60	210	165	9,900
Senior	178	160	145	25,810
Staff	<u>242</u>	120	110	<u>26,620</u>
	<u>540</u>			
Sub-Total				78,230
Out-of-pocket expenses				<u>-</u>
Preparation of ACFR and Component Unit Financial Statements				3,180
Preparation of Financial Transaction Reports for the City and Special Districts				5,500
Agreed-Upon procedures regarding appropriations limit				540
Preparation of the non-profit tax return - Community Economic Development Foundation				<u>1,670</u>
Total all-inclusive price (Fiscal Year 2023/2024)				<u>\$ 89,120</u>

ATTACHMENT 2

**TECHNICAL PROPOSAL –
ROGERS, ANDERSON, MALODY
AND SCOTT, LLP**



ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

APRIL 15, 2022

CITY OF PERRIS
TECHNICAL PROPOSAL
PROFESSIONAL AUDITING SERVICES
FOR THE FISCAL YEARS ENDING
JUNE 30, 2022 THROUGH JUNE 30, 2024
(WITH THE OPTION OF TWO SUBSEQUENT YEARS)

CONTACT PERSONS:

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terry@ramscpa.net

SCOTT W. MANNO, CPA, CGMA
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PREPARED BY
ROGERS ANDERSON MALODY & SCOTT, LLP
735 E. Carnegie Drive, Suite 100
San Bernardino, CA 92408

LICENSE #2596
FEIN 95-2662063

CITY OF PERRIS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

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ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

April 15, 2022

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Ernie Reyna, Deputy City Manager
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Veronica Hernandez, CPA
Laura Arvizu, CPA
Xinlu Zoe Zhang, CPA, MSA
John Maldonado, CPA, MSA
Thao Le, CPA, MBA
Julia Rodriguez Fuentes, CPA, MSA

MEMBERS

American Institute of
Certified Public Accountants

*PCPS The AICPA Alliance
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*Governmental Audit
Quality Center*

*Employee Benefit Plan
Audit Quality Center*

California Society of
Certified Public Accountants



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Dear Evaluation Committee:

I am pleased to respond, on behalf of Rogers, Anderson, Malody & Scott, LLP, (RAMS) to your request for a proposal regarding professional auditing services. As a recognized industry leader and innovator, our goal for the past 73 years has been to provide honest, objective and high-quality results to all our clients, including governmental organizations such as yours. Our success in these efforts is witnessed by the continued organic growth of our firm and our list of long-term clients, some we have served for over 20 years.

At RAMS, we are committed to achieving the highest quality audit possible. We understand the complexity of performing governmental audits and that is why we have a *dedicated team of auditors* that possess the specialized knowledge and experience to help ensure our audits are planned and executed in a way that maximizes audit efficiency and effectiveness and provides you the highest quality services.

We are aware that the City of Perris (the City) will be reviewing other proposals during this process, but we believe that RAMS would be an exceptional choice for the audit for the following reasons. Our firm:

- Utilizes *Teammate Analytics*, a suite of more than 150 Computer Aided Audit Tools (CAATs). This software empowers our audit teams with the ability to perform powerful, meaningful data analysis which builds upon our other robust, substantive audit procedures. This value-added service also helps to identify specific transactions or amounts which may be indicative of fraud.
- Performs an intelligent, risk-based audit (using our CAAT) which enables us to focus on key audit areas allowing us to become more efficient resulting in a higher quality audit at a reasonable fee.
- Currently provides auditing services to over 50 governmental agencies and not-for-profit organizations, including over 25 cities, most of which have enterprise activities and over 30 special districts.
- Developed a comprehensive remote working environment for our audits. All our staff currently have the tools for working remotely in an effective and efficient manner allowing us to still provide a quality audit. Our ultimate goal is to continue to meet your needs, but in a safe environment.
- Has an established reputation in the governmental and not-for-profit accounting and auditing community for providing excellent, timely service with high quality reporting to our clients.
- Is committed to helping you meet all reporting/auditing deadlines, resolving any issues encountered during your audit (e.g., accounting or auditing, new pronouncements, etc.), and providing you with quality audit services.

-|-

STABILITY. ACCURACY. TRUST.

- Understands the audit process can be a stressful experience for you and your staff; we understand that you will have other commitments and your regular workloads during the audit. We make every effort to ensure the audit process, from the interim fieldwork to the preparation of any required financial reports, will be as trouble-free as possible for you and your staff. We accomplish this by comprehensively planning the audit and utilizing our staff and audit technologies in the most efficient and effective manner while keeping disruptions and miscommunications to a minimum.
- Has audit team members that are personable and easy to work with, yet still focused on the audit. Through open and responsive communication with all parties involved in the audit process, we work to have the most efficient audit possible by minimizing operational distractions of your staff, while maximizing quality service.
- Has an extensive internal quality control review process to ensure your financial reports meet the highest standards. In addition to the preparation of financial reports by the engagement team and reviewed by the engagement manager, *each report is also examined by 2 partners and at least 1 professional proofreader.*
- Has assisted many of our clients with the preparation of their Annual Comprehensive Financial Reports, and all our clients that have submitted their reports for the Government Finance Officers Association (GFOA) or California Society of Municipal Finance Officers (CSMFO) awards have received the awards. Our participation as a GFOA reviewer also indirectly benefits our clients in the quality review process.
- Believes that our fee estimate provides a fair and reasonable investment, commensurate with level of service provided and the experience of the audit team members. While we may not be the lowest bidder, that is not our objective. We focus on delivering the best value and price our prospective engagements accordingly.
- Is a local Southern California firm. All our employees live, work, and shop in the region, allowing our local cities to benefit from our sales and property taxes.

As you will see from our proposal, it was prepared in a clear, concise, and simple manner in accordance with the request for proposal. We feel our firm, staff, and reputation as a leader in governmental auditing exceeds the need for the excess information you may see in other proposals.

Rogers, Anderson, Malody & Scott, LLP is properly licensed to practice in California, including all the assigned professional staff to the engagement. Mr. Shea, Partner, and Mr. Manno, Partner, are authorized to represent the firm, are empowered to submit the bid and authorized to sign a contract with the City. We understand the work to be done as listed in the section of this proposal titled *Services to be provided*. In addition, we will be committed to meeting any agreed upon time frames. This proposal is a firm and irrevocable offer for five (5) years.

We can be reached at: 735 E. Carnegie Drive, Suite 100, San Bernardino, CA 92408, (909) 889-0871, or via email at terry@ramscpa.net or smanno@ramscpa.net.

Thank you for the opportunity to present our proposal to the City. We will be committed to exceeding your expectations of an auditor and believe this proposal provides you with information about our firm, the service team members and our customized audit approach. We look forward to having a long and mutually beneficial relationship with the City. Please feel free to contact us if you have any questions regarding this proposal.

Respectfully yours,

ROGERS, ANDERSON, MALODY & SCOTT, LLP



Terry Shea, CPA
Partner

CITY OF PERRIS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Independence

Rogers, Anderson, Malody & Scott, LLP is independent of the City and any component units, as defined by general standard number two of the generally accepted auditing standards, and by the second general standard for government auditing in the U.S. Government Accountability Office's *Government Auditing Standards*.

The Firm has not had any professional relationship with the City of Perris in the last five years.

License to practice

Rogers, Anderson, Malody & Scott, LLP is licensed to practice in the State of California. Our key professional staff, which includes the partners, managers, and supervisors, are all certified public accountants licensed to practice in the State of California and follow all applicable Board of Accountancy standards.

Firm qualifications and experience

About our firm

We are a local firm founded in 1948 and located at 735 E. Carnegie Drive, Suite 100, San Bernardino, California. We provide a full range of services as expected of a full-service accounting firm. We are one of the oldest, most trusted and respected CPA firms in Southern California, with over 73 years of public practice experience, specializing in governmental agency and not-for-profit organization auditing, accounting, and management advisory services. Over *sixteen thousand hours per year* are devoted to this area of our practice, which includes cities, redevelopment successor agencies, water districts, other special districts, not-for-profit corporations, and joint power authorities. We do not use our government accounting and auditing practice as "fill work" for the firm, it is one of our primary focuses thus allowing us to provide quality services to local governments.



We understand your desire to engage auditors that have a thorough understanding of the ever-changing complex accounting and compliance issues confronting governments today. Our firm has an extensive history of governmental accounting and auditing. During that time, we have gained valuable experience, acquired an in-depth knowledge of, and obtained the technical expertise needed to perform high quality governmental audits. This expertise has enabled us to provide exceptional, high quality service and to provide solutions at fees we feel represent our value to our clients. In addition, we use our participation in various industry associations to continuously update our knowledge with respect to issues relating to governmental accounting, auditing, and operations. Any insight we gain is immediately passed on to our clients if we feel they will benefit from it.

For our clients we provide custom training for new GASB's, annual updates, or changes in laws or regulations as needed.

Our firm has a total staff of thirty-two people, which includes eighteen certified public accountants. The staff consists of six partners, three managers, twelve supervisors/senior accountants, six staff accountants, and five support staff. The audit staff consists of eighteen members who devote over 80% of their time to municipal engagements. The engagement team assigned to the City's engagement will consist of the following full-time staff: one audit partner, one audit manager, one audit supervisor/senior, and two to three staff auditors. All personnel are located at our San Bernardino office.

CITY OF PERRIS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Firm qualifications and experience (continued)

Range of services

Our firm provides various other services in addition to auditing services to governmental entities, including:

- SB 341 compliance (Successor Agencies)
- Internal control agreed upon procedures
- Finance director and accounting support services
- Study and evaluation of financial condition and fiscal policies
- Transient Occupancy Tax agreed upon procedures
- Franchise (refuse, cable) agreed upon procedures
- Accounting policies and procedures
- Cash management studies
- Financing and public bond offering assistance
- Franchise agreement assistance (ambulance, cable, television, refuse, etc.)

In addition, the firm provides accounting, auditing, attest, and consulting services to for profit and not-for-profit entities. We also provide tax preparation and tax consulting services to individuals, corporations, and partnerships. **We provide our municipal audit clients tax consultation at no extra charge.**

Governmental Audit Quality Center

As a member of the American Institute of CPAs *Governmental Audit Quality Center* (Center), we are committed to adhering to the highest quality standards by voluntarily agreeing to the Center membership requirements, which include designating a partner responsible for the quality of our governmental audit practice, establishing quality control programs, performing annual internal inspection procedures, and making our peer review report findings publicly available. At RAMS, our goal is to continue to enhance our quality initiatives within our governmental audit practice to deliver the highest quality audit services possible.

In addition, the *Governmental Audit Quality Center* provides access to comprehensive resources that will assist us in further enhancing the quality of your audit. The Center membership provides us with timely information on a variety of technical, legislative, and regulatory subjects that we can in turn apply to your audit to help ensure compliance with the appropriate standards and changes in regulations which we pass on to our clients.

Housing Authority and Successor Agency experience

Over the past five fiscal years, the firm has audited the Housing Authorities and Successor Agencies for the following entities:

City of South Pasadena
City of Thousand Oaks
City of San Marcos
City of Moorpark
City of Fillmore
City of Sierra Madre
City of El Cajon
Town of Yucca Valley
City of Imperial Beach

City of San Bernardino
City of La Verne
City of San Jacinto
City of 29 Palms
City of La Mesa
City of Rosemead
City of Hawthorne
City of West Covina
City of Claremont

CITY OF PERRIS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Firm qualifications and experience (continued)

Single Audit experience

Most of our municipal clients, and some of our other governmental and not-for-profit clients, have been subject to an audit in accordance with *Uniform Guidance*. We recently performed single audits for the following entities:

Elsinore Valley Muni. Water District	City of San Bernardino
City of El Cajon	City of La Mesa
City of San Marcos	City of West Covina
City of Thousand Oaks	City of 29 Palms
City of Fillmore	City of Woodlake
City of Exeter	City of Imperial Beach
City of La Verne	City of Hawthorne

Our specialized Single Audits Team is led by Managers and Supervisors with Intermediate and Advance Single Audits Certifications issued by the AICPA guaranteeing a successful and thorough engagement.

ACFR preparation

We have extensive experience in the preparation of Annual Comprehensive Financial Reports (ACFR). For the fiscal years ended June 30, 2019 and 2020, our staff prepared over 20 ACFR's, with each entity receiving the Certificate of Achievement for Excellence in Financial Reporting from the GFOA. For the fiscal year ended June 30, 2021, again, our staff prepared over 20 ACFR's for our clients for submittal to the GFOA. In addition, we have helped many cities and special districts develop their first year's report for submittal. Two of our audit partners and one of our managers are technical reviewers for the GFOA ACFR award program. **In addition, we review all the ACFR's for compliance with the GFOA certificate program checklist, as well as addressing any prior year comments, if applicable, to insure they have been addressed.**

Engagement quality control

We have an extensive internal quality control review process to ensure your audit meets the highest standards. In addition to the preparation of financial reports by a senior member of the engagement team, each report is reviewed by the engagement manager/supervisor and then is examined by the engagement partner. Subsequently, a technical review is then performed by the engagement Quality Control partner along with being proofread by at least one professional staff. In addition, all audit workpapers are reviewed by the in-charge auditor and the partner in-charge of the engagement.

Equal Opportunity Employer

Our firm is an equal opportunity employer and is committed to providing employment opportunities to all qualified persons regardless of race, color, sex, religion, national origin or handicap. Our staff represents a wide range of cultures and ethnic backgrounds. We provide opportunities for advancement for all staff based on ability, skill, and desire to advance.

CITY OF PERRIS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Firm qualifications and experience (continued)

External quality control review

As a member of the AICPA Private Companies Practice Section, our firm has participated in the "Peer Review" program since 1993 and has been examined every three years since that date by an outside, independent firm of certified public accountants. Participation in this program ensures that our engagements, firm policies, and audit procedures meet the standards of the AICPA, the Yellow Book, and the California State Board of Accountancy. Throughout our participation in this program, *the firm has only received pass ratings from the peer reviewers.*

During each review, an independent firm reviews our policies and procedures and then inspects a representative sample of engagement workpapers and reports, including governmental entities and engagements subject to the *Uniform Guidance*. For the year ended November 30, 2020, our firm received a rating of *pass* which indicates our auditing practice is suitably designed and complied with to provide reasonable assurance of performing and reporting in conformity with applicable standards. The results provide confirmation that the custom audit approach and procedures we use are technically sound and in compliance with applicable standards.

Disciplinary action

The firm *has never* had any disciplinary action taken or pending against it with state regulatory bodies or professional organizations, nor has it ever had any pending or settled litigation, civil or criminal investigations. In addition, we are not aware of any federal or state desk reviews or field reviews of its audits during the last three years.

Our firm does not have a record of substandard work.

In addition to the external quality control review, our firm performs in-house monitoring procedures, which mirror the outside peer review procedures, over our audit and attest engagements annually.

Grant Bennett Associates

A PROFESSIONAL CORPORATION

Report on the Firm's System of Quality Control

June 4, 2021

To the Partners of Rogers, Anderson, Malody & Scott, LLP, and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Rogers, Anderson, Malody & Scott, LLP (the firm) in effect for the year ended November 30, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

Firm's Responsibility

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

Peer Reviewer's Responsibility

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

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including 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 Rogers, Anderson, Malody & Scott, LLP in effect for the year ended November 30, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Rogers, Anderson, Malody & Scott, LLP has received a peer review rating of *pass*.

Grant Bennett Associates

GRANT BENNETT ASSOCIATES
A PROFESSIONAL CORPORATION
Certified Public Accountants



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CITY OF PERRIS

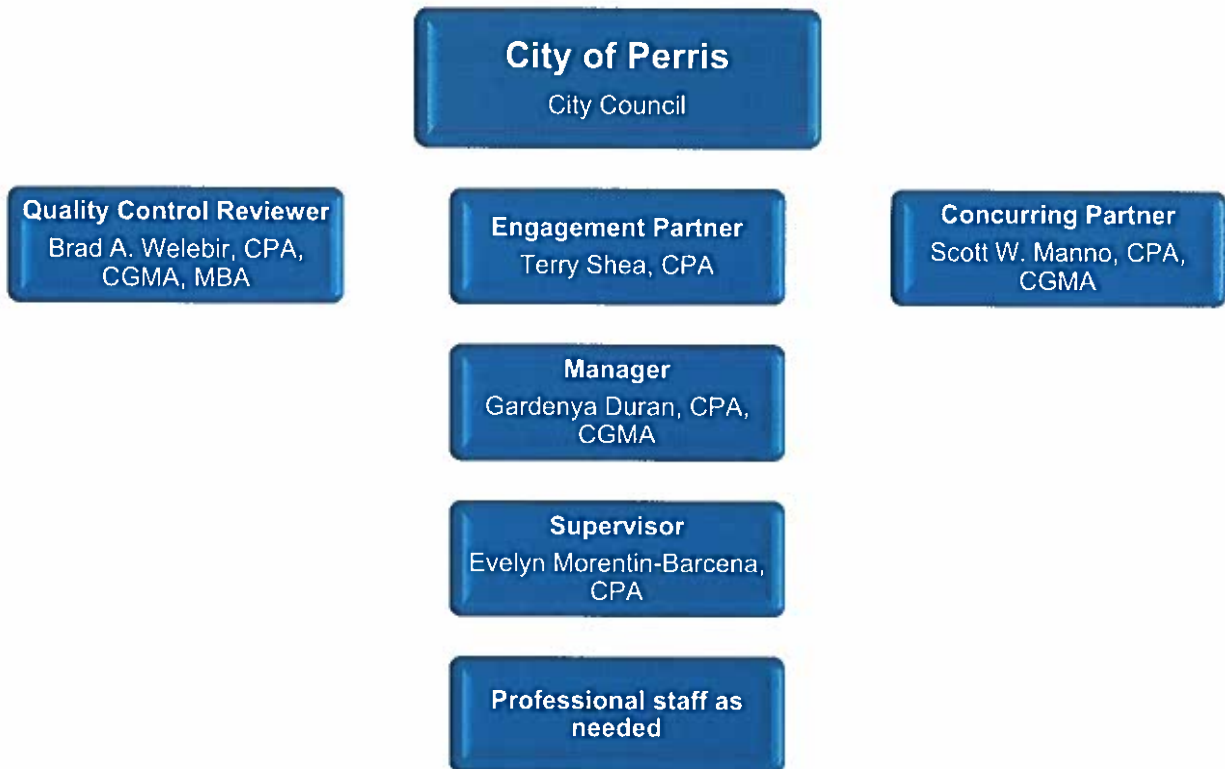
PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Partner, supervisory, and staff qualifications and experience

The quality of service you receive is dependent on the capabilities of the individuals assigned to the engagement, and the manner in which those personnel resources are organized to efficiently focus their abilities on providing you with the requested audit services. These professionals are highly trained and knowledgeable and have a thorough understanding of the environment in which governmental and not-for-profit entities operate. This experience is a critical component in providing the City with an effective and efficient audit.

Our engagement team will provide significant experience coupled with an extensive, practical understanding of governmental accounting and auditing along with a broad business perspective. Each member will have access to a wide range of technical resources and knowledge bases which will enable them to provide the City with practical observations and effective solutions.

Below is our proposed organizational chart for the audit:



CITY OF PERRIS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Partner, supervisory, and staff qualifications and experience (continued)

Partner and supervisory staff involvement

All partners and supervisory staff are working professionals and are actively and continually involved in all aspects of their engagements. We believe that partner and supervisory staff involvement in all areas of the audit is a key aspect of the overall audit process. This involvement includes being on-site for interim and year-end fieldwork, thus facilitating a proper, efficient, and effective audit, with minimal disruption of your staff. In addition, the time spent on-site by the partners and supervisory staff ensures they gain an understanding of the entire City's accounting processes and procedures. This understanding will enable them to evaluate and develop opportunities for efficiency, as well as offer practical and functional advice for improving your accounting processes and procedures.

All professionals on this engagement have worked on audits similar in nature to the City's, therefore, the City will not have to train our engagement team.

Staff continuity

Continuity of audit staff is a principal concern with our firm. In order to retain our staff, we offer extremely competitive wages, opportunities for advancement, generous medical packages, a retirement plan, bonus opportunities, as well as educational benefits. Even with the benefits we provide, we realize we may lose staff at any given time. Knowing this, we plan to provide staff continuity from year to year, which is in the best interest of the City and our firm. Continuity ensures an orderly, efficient, and less disruptive audit experience. Since we cannot guarantee staff will remain with us, principal supervisory and management staff, including engagement partners, managers, other supervisory staff, and specialists, may be changed if those personnel leave the firm or are promoted. **However, the City reserves the right to accept or reject replacements.**

We believe that due to the significant involvement of the partners on all our engagements, any staff transition would have a minimal effect on the audit efficiency and effectiveness of subsequent years.

Continuing professional education

Our team of auditor specialists stays current in this highly technical practice area by adhering to, and typically exceeding, the continuing professional education requirements of *Government Auditing Standards* as well as the State Board of Accountancy guidelines. All professionals at our firm participate in continuing professional education (CPE) programs, which are sponsored by various organizations including the Government Finance Officers Association, the American Institute of Certified Public Accountants, the California State Society of Certified Public Accountants, the California Society of Municipal Finance Officers and the Association of Government Accountants. Participation in these programs helps us to ensure that our clients are serviced with the best trained and most proficient government auditors and accountants available. In addition, we periodically provide in-house training taught by our partners and senior level staff using published resources. All staff are required to attend fraud and ethics training. It is our goal to provide our professional staff continuing education which exceeds the minimum standard of 80 hours over two years.

In accordance with our firm's Quality Control document and *Government Auditing Standards (GAS)*, all staff members who work on audits subject to GAS are required to complete CPE in accordance with GAS standards which require 24 hours directly related to governmental accounting and auditing.

In addition to the required CPE, we also use the following to increase our technical knowledge: view the Governmental Audit Quality Center Annual Webcast Update and other relevant seminars and review monthly publications from the AICPA, the GFOA, and various other resources. We also attend conferences and seminars sponsored by the GFOA, California Society of Municipal Finance Officers, California State Society of Certified Public Accountants and the California Special Districts Association.

CITY OF PERRIS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Partner, supervisory, and staff qualifications and experience (continued)

Assigned personnel

It is our goal to provide you with capable, competent, and personable individuals who offer an extensive background, not only in governmental accounting and auditing, but also in general business practices. By doing so, it allows us to offer practical solutions, as well as provide technical support. This enables you to stay at the forefront of governmental accounting and provides you with the support you need in dealing with the complex issues confronting entities such as yours.

In addition, our engagement team has the managerial and supervisory experience to provide the City with a comprehensive audit of the highest quality, while still focusing on personal service. The resumes of the key engagement personnel assigned to the audit are presented below. The following individuals will be assigned to the engagement for the entire contract period (see *Staff Continuity section* of this proposal):

Terry Shea, CPA - Partner, Engagement Partner

Terry is a municipal audit partner with the firm and will be the engagement partner. He is licensed to practice as a certified public accountant in the State of California. He has been in public accounting for 40 years specializing in serving local governments such as yours. As the engagement partner, he will be responsible for overall engagement quality, as well as ensuring that the engagement is performed in the most effective and efficient manner. Terry will directly oversee all engagement staff while assisting in planning and performing the engagement as well as reviewing all work-papers prepared during the engagement, in addition to all required reports. Terry is a working partner and will be actively and continually involved in all aspects of the engagement.

Scott W. Manno, CPA, CGMA - Partner, Concurring Partner

Scott is also a municipal audit partner with the firm. He is licensed to practice as a certified public accountant in the State of California. Scott has over 25 years of public accounting experience and has provided accounting, auditing, and consulting services for municipalities, special districts, water agencies, and various not-for-profit organizations. As the concurring partner, Scott will work directly with Terry in planning and performing the engagement. In addition, he will provide technical consultation for the engagement team.

Brad A. Welebir, CPA, CGMA, MBA - Partner, Quality Control Reviewer

Brad will be the Quality Control Reviewer. He is licensed to practice as a certified public accountant in the State of California. He has over 17 years of practical, governmental accounting and auditing experience. Brad will be responsible for the final quality control review of all released opinions and related reports.

Gardenya Duran, CPA, CGMA - Engagement Manager

Gardenya is a manager with the firm and is licensed to practice as a certified public accountant in the State of California. Gardenya has over 11 years' experience in providing accounting and auditing services for municipalities, special districts and various nonprofit organizations. As the engagement manager, she will work directly with the audit in-charge and partner, while supervising the engagement team during all phases of the engagement. In conjunction with the audit in-charge, she will also oversee the preparation of any required reports.

CITY OF PERRIS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Partner, supervisory, and staff qualifications and experience (continued)

Evelyn Morentin-Barcena, CPA - Audit Supervisor

Evelyn is a supervisor with the firm. She is licensed to practice as a certified public accountant in the State of California. Evelyn has over 6 years' experience in providing accounting and auditing services for municipalities, special districts and various nonprofit organizations. As an audit supervisor, she will work closely with the engagement partner and other audit supervisor. She will assist in coordinating the audit with Laura on an as needed basis and any necessary site visits by a supervisor will be performed by Evelyn.

Staff level accountants

All staff accountants employed by us and working on governmental audits are qualified to perform such audits. Prior to "audit season", our staff are subject to a rigorous training regimen in which we go over all aspects of our audit process and audit programs ensuring staff members have a solid foundation prior to starting fieldwork. Each staff member is encouraged to take on increased responsibility for engagements previously worked on. This enables our staff to grow on each engagement and allows them to continue to gain the skills and knowledge required to perform the audits.

In summary, we want to emphasize the credentials of the above professionals who will be directly responsible for the quality of service that you will receive. Additionally, our audit team has another attribute that is very important, even though it is intangible - the professionals assigned to the audits have previously worked together as a multi-disciplined team, thus ensuring a smooth, efficient, and effective audit. We are committed to allocating the necessary resources to ensure that we provide continuity of personnel throughout the term of our relationship with the City.

Full engagement team resumes are provided as follows.

CITY OF PERRIS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Partner, supervisory, and staff qualifications and experience (continued)

Engagement team resumes



Terry P. Shea, CPA
Engagement Partner

Professional experience

Mr. Shea began his career with Thomas, Byrne, and Smith in 1981. He spent five years with the firm primarily working on audits of municipalities, special districts, Successors Agencies, and other governmental agencies. He joined Rogers, Anderson, Malody & Scott, LLP in 1987 where he has completed governmental audits including municipalities and provided financial consulting services for various cities.

Education/licenses

Bachelor of Arts – California State University, Fullerton
Certified Public Accountant – State of California

Related professional experience

Partial listing of relevant governmental agencies served (*includes enterprise fund accounting):

City of La Mesa*
City of San Jacinto*
City of Indian Wells
City of Norco
City of Poway

City of Loma Linda*
City of El Cajon*
City of Corona*
City of Goleta
City of Menifee

City of Riverside*
City of Palm Desert*
City of Coachella
City of Redondo Beach
City of Aliso Viejo

City of Grand Terrace*
City of 29 Palms
City of Fillmore*
City of Indio*
City of Fontana*

Mr. Shea served as the Interim Finance Director for the City of Perris from July 1998 to October 2001. He currently serves as the Contract Finance Director for one Riverside County city and one Los Angeles County city.

Continuing professional education

Mr. Shea has completed over 120 hours of continuing professional education courses in the past three years, of which, the following select courses are relevant to this engagement:

- ◆ American Institute of Certified Public Accountants, *Foundations in Governmental Accounting*
- ◆ American Institute of Certified Public Accountants, *Governmental and Not-for-Profit Conference*
- ◆ California Society of CPAs Education Foundation, *Governmental Auditing Skills*
- ◆ Thomson Reuters, *Audits of State and Local Governments*

Professional affiliations

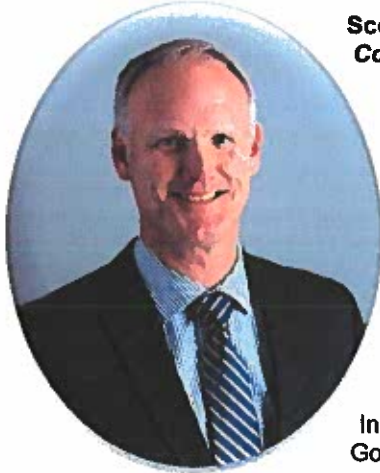
Mr. Shea is a member of the following professional organizations:

- ◆ American Institute of Certified Public Accountants (AICPA)
- ◆ California Society of Certified Public Accountants (CalCPA)
- ◆ Government Finance Officers Association (GFOA)
- ◆ California Society of Municipal Finance Officers (CSMFO)

CITY OF PERRIS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Partner, supervisory, and staff qualifications and experience (continued)



Scott W. Manno, CPA, CGMA
Concurring Partner

Professional experience

Mr. Manno began his career with Thomas, Bigbie and Smith in 1995 after serving in the United States Army. He spent six years with the firm primarily working on audits of municipalities, special districts and redevelopment agencies as well as various not-for-profit organizations. He joined Rogers, Anderson, Malody & Scott, LLP in July 2001. Currently, Mr. Manno serves as a technical reviewer for the GFOA ACFR Award program. Since 2010, Mr. Manno has been serving as a technical volunteer on the California Special Districts Association Audit Committee and is also on the Association's fiscal committee providing accounting and fiscal program guidance. Mr. Manno has also done presentations on fraud.

In addition, he is part of the California State Society of Certified Public Accountants Governmental Accounting and Auditing Committee which meets periodically to discuss current events, pronouncements, etc.

Education/licenses

Bachelor of Science, Business Administration – California State University, San Bernardino
Certified Public Accountant – State of California
Chartered Global Management Accountant – American Institute of Certified Public Accountants

Related professional experience

Partial listing of relevant governmental agencies served (*includes enterprise fund accounting):

City of El Cajon*	Town of Yucca Valley	City of La Mesa*	City of La Verne
City of Sierra Madre*	City of Fillmore*	City of Chino*	City of 29 Palms
City of Moreno Valley*	City of Beaumont*	City of San Marcos*	City of Loma Linda*
City of Claremont	City of Perris*	City of Exeter*	City of Woodlake*
City of San Jacinto*	City of Menifee	City of Rolling Hills Est.	City of Poway*

Mr. Manno has completed over 220 hours of continuing professional education courses over the past three years of which the following select courses are relevant to this engagement:

- ◆ Association of Certified Fraud Examiners, *Fraud Related Internal Controls*
- ◆ American Institute of Certified Public Accountants, *Governmental Accounting and Auditing Update*
- ◆ San Diego County Treasurer, *Fraud Prevention and Ethics Symposium*

Professional affiliations

Mr. Manno is a member of the following organizations:

- ◆ American Institute of Certified Public Accountants (AICPA)
- ◆ California Society of Certified Public Accountants (CalCPA)
- ◆ Association of Government Accountants (AGA)
- ◆ Association of Certified Fraud Examiners (ACFE)
- ◆ Government Finance Officers Association (GFOA)
- ◆ California Special Districts Association (CSDA)
- ◆ California Society of Municipal Finance Officers (CSMFO)

CITY OF PERRIS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Partner, supervisory, and staff qualifications and experience (continued)



Brad A. Welebir, CPA, CGMA, MBA
Quality Control Partner

Professional experience

Mr. Welebir joined Rogers, Anderson, Malody & Scott, LLP in 2004. He primarily provides audits and advisory services to governmental agencies, small to mid-sized businesses, and not-for-profit organizations. Mr. Welebir serves as a technical reviewer for the GFOA ACFR Award program. He also serves as the CalCPA Inland Empire chapter chair of the governmental accounting and auditing committee and as the representative for the chapter at the state committee.

Education/licenses

Master of Business Administration, Accounting Emphasis – California State University, Fullerton
Bachelor of Arts in Business Administration – La Sierra University
Certified Public Accountant – State of California
Chartered Global Management Accountant – American Institute of Certified Public Accountants

Related professional experience

Partial listing of relevant governmental agencies served (*includes enterprise fund accounting):

City of 29 Palms	City of Loma Linda*	City of San Bernardino	City of La Verne
City of Sierra Madre*	City of Fillmore*	City of Poway*	City of Poway
City of Moorpark*	City of Rosemead	City of Redondo Beach*	City of San Marcos*
City of Claremont	Town of Yucca Valley	City of Aliso Viejo	City of San Jacinto*

Continuing professional education

Mr. Welebir has completed over 120 hours of continuing professional education courses in the past three years of which the following select courses are relevant to this engagement:

- ◆ California Society of CPAs Education Foundation, *Governmental Accounting and Auditing Update*
- ◆ American Institute of Certified Public Accountants, *OMB A-133 Single Audit Update*
- ◆ California Society of Municipal Finance Officers, *Annual Conference Sessions*
- ◆ Government Finance Officers Association, *GAAP Update*
- ◆ CCH, *Yellow Book Update*

Professional affiliations

Mr. Welebir is a member of the following professional organizations:

- ◆ American Institute of Certified Public Accountants (AICPA)
- ◆ California Society of Certified Public Accountants (CalCPA)
- ◆ Government Finance Officers Association (GFOA)
- ◆ California Society of Municipal Finance Officers (CSMFO)
- ◆ California Special Districts Association (CSDA)

CITY OF PERRIS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Partner, supervisory, and staff qualifications and experience (continued)



Gardenya Duran, CPA, CGMA
Audit Manager

Professional experience

Mrs. Duran joined Rogers, Anderson, Malody & Scott, LLP in June 2010. She works primarily on audits of governmental agencies, small to mid-sized businesses, and nonprofit organizations. Currently, Mrs. Duran serves as a technical reviewer for the GFOA CAFR Award program. Prior to joining our firm, she was an Information Systems Technician in the U.S. Navy for nine years.

Education/licenses

Bachelor of Science – California State University, San Bernardino
Certified Public Accountant – State of California
Chartered Global Management Accountant – American Institute of Certified Public Accountants

Related professional experience

Partial listing of relevant governmental agencies served (*includes enterprise fund accounting):

City of Hawthorne*	City of El Cajon*	City of Aliso Viejo	City of Capitola
City of Poway*	City of San Jacinto*	City of San Bernardino	City of S. Pasadena
City of Canyon Lake	City of San Marcos*	City of Redondo Beach*	City of West Covina*
City of La Mesa	City of Thousand Oaks*	City of Claremont*	

Continuing professional education

Mrs. Duran has completed 120 hours of continuing professional education courses in the past three years of which the following select courses are relevant to this engagement:

- ◆ Thomson Reuters, *Audits of State and Local Governments*
- ◆ American Institute of Certified Public Accountants, *Foundations in Governmental Accounting*
- ◆ California Society of CPAs Education Foundation, *Governmental Accounting and Auditing Update*
- ◆ American Institute of Certified Public Accountants, *Applying A-133 to Nonprofit and Governmental Organizations*

Professional affiliations

Mrs. Duran is a member of the following professional organizations:

- ◆ American Institute of Certified Public Accountants (AICPA)
- ◆ California Society of Certified Public Accountants (CalCPA)
- ◆ Government Finance Officers Association (GFOA)
- ◆ California Society of Municipal Finance Officers (CSMFO)

CITY OF PERRIS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Partner, supervisory, and staff qualifications and experience (continued)



Evelyn Morentin-Barcena, CPA
Audit Supervisor

Professional Experience

Evelyn is an Audit Supervisor with the firm. She has over 6 years' experience in providing accounting and auditing services for municipalities, special districts and various nonprofit organizations. As an audit supervisor, she will work closely with the engagement partner and manager and be responsible for planning the audit, supervising the staff assigned to the engagement, and performing reviews of all workpapers prepared for the engagement. In addition, she will also be responsible for the preparation of any required reports. Currently, Evelyn serves as a technical reviewer for the GFOA ACFR Award program.

Education

Bachelor of Science degree from California State University, San Bernardino
Certified Public Accountant – State of California
Intermediate Single Audit Certificate – AICPA

Related professional experience

Partial listing of relevant governmental agencies served (*includes enterprise fund accounting):

City of Menifee	City of Thousand Oaks*	City of San Jacinto*	City of San Marcos*
City of Calabasas*	Town of Yucca Valley	City of San Bernardino	City of Rosemead
City of La Verne*	City of Loma Linda*	City of South Pasadena*	City of West Covina*
City of 29 Palms	City of Lawndale*	City of Poway*	City of Hawthorne*

Continuing Professional Education

Ms. Morentin-Barcena has completed over 100 hours of continuing professional education courses over the past two years of which the following select courses are relevant to this engagement:

- ◆ 2021 Compliance Supplement and Single Audit Update
- ◆ SLFRF Final Rule Briefing
- ◆ GASB Update

Professional affiliations

Ms. Morentin-Barcena is a member of the following professional organizations:

- ◆ American Institute of Certified Public Accountants (AICPA)
- ◆ California Society of Certified Public Accountants (CalCPA)
- ◆ Government Finance Officers Association (GFOA)
- ◆ California Society of Municipal Finance Officers (CSMFO)

CITY OF PERRIS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Similar engagements with other governmental entities

Entity:	City of San Bernardino
Scope of work:	Financial Audit/ACFR/Successor Agency/Single Audit
Date:	Year ending June 30, 2020 - present
Engagement partner:	Mr. Terry Shea
Total hours:	Approximately 550 hours each year
Contact person:	Ms. Barbara Whitehorn, Finance Director, (909) 384-5242
Address:	290 North D Street, San Bernardino, CA 92401
Entity:	City of Thousand Oaks
Scope of work:	Financial Audit/ACFR*/Successor Agency/Single Audit
Date:	Years ending June 30, 2018 - present
Engagement partner:	Mr. Terry Shea
Total hours:	Approximately 420 hours each year
Contact person:	Ms. Elisa Magana, Accounting Manager, (805) 449-2216
Address:	2100 Thousand Oaks Blvd., Thousand Oaks, CA 91362
Entity:	City of Beaumont
Scope of work:	Financial Audit/Single Audit
Date:	Year ending June 30, 2020 - present
Engagement partner:	Mr. Scott Manno
Total hours:	Approximately 400 hours each year
Contact person:	Mr. Jennifer Ustation, Finance Director, (951) 572-3236
Address:	550 E. 6th Street, Beaumont, CA 92223
Entity:	City of Menifee
Scope of work:	Financial Audit/ACFR*/Single Audit
Date:	Years ending June 30, 2014 - present
Engagement partner:	Mr. Scott Manno/Mr. Terry Shea
Total hours:	Approximately 325 hours each year
Contact person:	Ms. Wendy Preece, Deputy Finance Director, (951) 672-6777
Address:	29844 Haun Road, Menifee, CA 92586
Entity:	City of San Jacinto
Scope of work:	Financial Audit/ Single Audit/Successor Agency
Date:	Years ending June 30, 2011 - present
Engagement partner:	Mr. Scott Manno/Mr. Terry Shea
Total hours:	Approximately 325 hours each year
Contact Person:	Mr. Tom Prill, Deputy City Manager, (951) 487-7330
Address:	595 S. San Jacinto Avenue, San Jacinto, CA 92583

* = received GFOA/CSMFO award.

See Attachment A for a listing of current and recent government clients served.



CITY OF PERRIS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Proposed audit approach

Services to be provided

The City desires the auditor to express an opinion on the fair presentation of its basic financial statements and the financial statements of the following: Perris Community Economic Development Corporation, the Perris Housing Authority, the Perris Joint Powers Authority, the Perris Public Utility Authority and the Perris Public Financing Authority (collectively the City in conformity with generally accepted accounting principles). We will perform an audit of all funds of the City.

In addition, we shall:

- Assist City staff with the preparation of the ACFR and financial statements (all entities) and ensure conformance to GFOA program (City of Perris statements only).
- Apply certain limited procedures related to Management's Discussion and Analysis and Required Supplementary Information and provide an "in-relation-to" report on the combining and individual fund financial statements and supporting schedules.
- Provide opinions as to the compliance with the *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (OMB Uniform Guidance). RAMS is to provide an "in-relation-to" report on the Schedule of Expenditures of Federal Awards based on the auditing procedures applied during the audit of the financial statements.
- Test compliance with Article XIII B pertaining to the City's appropriation limit.
- Prepare the City's Annual State Controller Report for all entities.
- Prepare the Federal and State exempt tax returns for the Perris Community Economic Development Corporation.

Our audit(s) will be in accordance with:

- Generally Accepted Auditing Standards as promulgated by the American Institute of Certified Public Accountants, including requirements found in the new AICPA audit guide "Audits of State and Local Governments".
- *Government Auditing Standards* issued by the Comptroller of the United States of America.
- *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (OMB *Uniform Guidance*).
- Specific auditing standards relating to any grant agreement determined to be material by the auditor.

Reports to be issued:

- For the City of Perris, a report on the fair presentation of the financial position of the governmental activities, each major fund and the aggregate remaining fund information, in conformity with GAAP for the ACFR.
- For the Perris Community Economic Development Corporation, the Perris Housing Authority, the Perris Joint Powers Authority, the Perris Public Utility Authority and the Perris Public Financing Authority, a report on the fair presentation of the financial position and results of operations.
- A report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
- A report in compliance with requirements applicable to each major federal program and internal control over compliance in accordance with the *Uniform Guidance*.
- A report on the Schedule of Expenditures of Federal Awards.
- We will issue a report to those charged with governance (SAS 114 letter).
- A report on the compliance with the State Controllers instructions for all entities as applicable.
- Prepare an Agreed-Upon Procedures report to the City Council regarding compliance with Article XIII B.

RAMS will also perform the following:

- We shall communicate to management any reportable conditions found during the audit, including significant deficiencies and material weaknesses, nonreportable conditions will be reported in a separate letter to management.

CITY OF PERRIS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Proposed audit approach (continued)

RAMS will also perform the following:

- Make an immediate, written notification of all irregularities and illegal acts or indication of illegal acts of which we become aware to the following: City Manager, Deputy City Manager and the Finance Director.

All working papers and reports will be retained at our expense for minimum of seven years, unless we are notified in writing by the City of the need to extend the period. We will make them available to the City or any government agencies included in the audit of federal grants. We shall respond to reasonable inquiries of successor auditors and allow them to review significant work papers.

Engagement approach

Our engagement approach for your audit will be developed, in part, by using established goals which will enable measurement of the audits progress by the engagement partner and lead auditor. This involves frequent communication between the partner and the engagement team to ensure that all audit objectives are achieved in accordance with our goals and that any issues which may arise are communicated and dealt with on a timely basis. In addition, our in-depth knowledge and expertise in governmental accounting and auditing has allowed us to identify key audit and accounting risks in the government environment. More importantly, the approach provides for a complete reassessment of the control environment in each year's audit and thus enables us to respond to any needed risk assessment changes.

Our engagement approach has been developed and refined over many years. The foundation of our approach revolves around the following fundamentals:

- **Knowledge and experience.** We have been auditing governmental entities like the City, both large and small, for over 73 years. This experience has allowed us to gain in-depth knowledge of the governmental environment which in turn allows us to perform a more efficient and effective audit. It also enables us to perform detailed risk assessment procedures allowing us to identify significant audit risk areas within the City and its control environment.
- **Intelligent design:** As discussed later in our proposal, all our audits are designed to be intelligent using our powerful audit software tools (Engagement and *Teammate Analytics*). This allows us to analyze large amounts of data in seconds increasing both the efficiency and, more importantly, the effectiveness of all our audit engagements.
- **Oversight.** Professional judgment is not developed overnight. Our partners, managers and supervisors have been deeply involved in governmental audits on a continuous basis for most of their professional careers. By having direct partner and manager oversight, we can design audit strategies that result in effective and efficient audits.
- **Timeliness.** Deadlines are not just "dates" to us, they are professional commitments. All required deadlines will be met.
- **Open communication.** Open lines of communication with all parties (the engagement team members and City Management and staff) throughout the audit process helps to eliminate "surprises." Proper planning and proper use of experienced engagement personnel tend to provide for an effective and efficient audit process. Consequently, inefficiencies, disruptions, and lack of understanding are kept to a minimum.
- **Availability.** All engagement team members are available throughout the year for any questions or additional consultation. City staff will have direct access to the partner, manager, and other supervisory staff at all times during the engagement, as well as after.
- **Cost effectiveness.** Our customized audit approach and procedures and our experienced auditors help to reduce your overall audit costs while still providing an effective audit and high-quality reports.

CITY OF PERRIS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Proposed audit approach (continued)

As indicated in the previous section of the proposal, the overall objective of the engagement with the City is to conduct an audit of the financial statements in accordance with required auditing standards and the expression of an opinion(s) on those financial statements. Beyond that initial objective, we believe that our engagement approach provides certain other value-added characteristics, at no additional cost, that will benefit the City over the long-term:

- All our audits are designed to be performed in an efficient and effective way to minimize disruption to the office operations.
- We offer practical observations and recommendations relating to internal control issues, implementation of accounting standards and the policies and procedures regarding both.
- We identify opportunities for operating efficiencies which can be used to decrease operating costs of the City.

Audit approach and proposed audit segmentation

The following is a summary of the audit team's audit approach for the engagement. The audit will be divided into the following segments:

Segment 1 - Interim testing - planning, pre-audit administration, and internal control testing

During this phase of the audit, our principal objectives will be to gather information about the City and its environment, including its internal control over financial reporting.

To achieve the desired objectives of this phase of the audit, we will:

- Meet with the City's staff to determine convenient dates in which we can begin our audit and to discuss the assistance to be provided by the City's staff.
- Hold brainstorming sessions with engagement team members to discuss the susceptibility of the City's financial statements to material misstatement and fraud.
- Review and evaluate the City's accounting and reporting processes by reviewing the prior year's audit workpapers, any City-prepared documents such as budgets, in-house financial reports, policies and procedures manuals, minutes of governance meetings, etc., and by using various analytical procedures. Analytical procedures will enhance our understanding of the City and will help us identify areas that may need further assessment and additional testing.
- Review and retain copies of any pertinent local, state, and federal statutes, regulations, or charters that apply to the City.
- Evaluate the design of controls that are relevant to the audit by obtaining a thorough understanding of the City's internal controls over financial reporting and compliance by documenting key internal control components, utilizing questionnaires, walkthroughs, inquiring of the City's personnel, and observing and reviewing key supporting documentation (a more thorough explanation of this process is discussed later in the technical proposal).
- Test controls, if control risk is to be assessed below maximum, by selecting a sample of transactions within the audit area being tested and reviewing supporting documentation to determine whether the relevant controls are in place and functioning properly.
- Document and review with management, any findings noted during the testing of internal controls and provide a preliminary management letter that will include our recommendations for improving any weaknesses in operations. The letter will also include suggestions for improving the efficiency of the City's operations.

CITY OF PERRIS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Proposed audit approach (continued)

- Utilize our powerful audit data analytic software allowing us to analyze large amounts of data in seconds and focusing on areas/transactions that are red flagged.

In addition, we will perform the following procedures related to IT General Controls that “touch” financial data:

- *Security access (including physical) controls:* evaluate the general system security settings and password parameters; evaluate the process for adding, deleting, and changing security access; evaluate the access capabilities of various types of users; evaluate access controls to networks and financial applications; evaluate access controls related to data files; and evaluate physical access to networks, servers, etc.
- *Computer operations:* Evaluate backup and recovery processes and review processes of identifying and handling operational problems.
- *System development and system changes:* Evaluate processes related to system development and system changes (if applicable).
- *Application testing:* We will determine if the testing of application controls is deemed necessary based on our professional judgment in the planning stages of the engagement.

This phase of the engagement for the audit will be performed by the audit senior and two/three staff accountants with direct supervision by the audit manager and partner.

Segment 2 - Year-end testing - substantive testing

During this phase of the audit, our principal objectives will be to assess the risk of material misstatement at the financial statement level and specific assertions, design overall responses to assessed risks and further audit procedures, perform substantive tests, and complete the audit and evaluate audit findings, if applicable.

To achieve the desired objectives of this phase of the audit, we will:

- Identify significant risks and develop a detailed audit plan using the results in Segment 1.
- Design substantive tests of account balances designed and modified specifically for the City's operations and assessed level of risk. Substantive procedures will consist of testing material balance sheet accounts, material revenue and expenditure/expense accounts along with various analytical procedures as deemed necessary. In addition, various accounts may be confirmed with outside parties (cash, investments, etc.).
- Determine whether our testing supports the assessed level of risk initially assigned at the financial statement level and at the assertion level.

This phase of the engagement for the audit will be performed by the senior accountant and two/three staff accountants with direct supervision by the audit manager and partner.

If any proposed audit adjustments are noted during this phase, we will discuss and explain them, in detail, with the appropriate level of management prior to posting.

CITY OF PERRIS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Proposed audit approach (continued)

Segment 3 - Reporting - report preparation/audit conclusion (workpaper review)

During this phase of the audit, our principal objectives will be to evaluate whether the financial statements, taken as a whole, are free from material misstatement and form an opinion(s) and issue our report.

In order to achieve the desired objectives of this phase of the audit, we will:

- Determine whether, based on our substantive testing and other procedures, the financial statements, taken as a whole, are free of material misstatement. This will provide the basis for our opinion(s).
- Review all audit workpapers to ensure that the audit was performed in accordance with the required standards (GAAS, GAGAS, etc.) and prepare drafts of all required reports by the agreed-upon dates.
- Conduct an independent review of the financial statement draft by the engagement's quality control partner and issue all reports by the agreed-upon dates.

This phase of the engagement will be performed by the audit senior and one staff accountant with direct supervision by the audit manager and partner. In addition, the engagement's quality control partner will perform a detailed quality control review of the financial statements.

The above procedures are a general list of procedures to be performed. After our initial review of the City and our detailed risk assessment, we will customize the engagement and gear it towards the needs of the City and the audit itself. In doing so, we will determine which procedures to perform relative to our risk assessment. All our audits are customized to each entity, helping to ensure a complete, effective, and efficient audit. The foundation of the above approach is based on open communication coupled with a strong knowledge of the City's operations and detailed planning at the initial stages of the audit.

Our firm is dedicated to performing a timely audit engagement. Prior to the start of the audit, we will meet with City staff and decide on adequate timeframes, agreed upon by both the City and us, for the performance of the audit and the release of the financial statements. *We will dedicate the necessary resources to meet any agreed upon time frames.*

Level of staff and approximate number of hours assigned to each segment

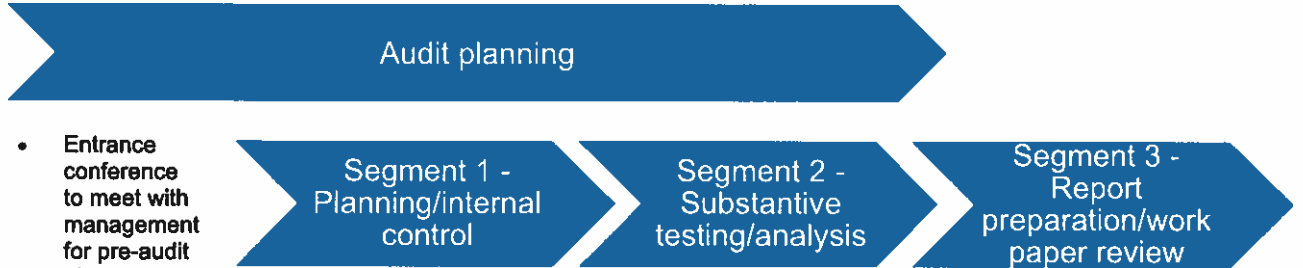
Segment	Partner	Manager	Senior	Staff	Total
Segment 1	12	15	45	92	164
Segment 2	21	24	71	121	237
Segment 3	27	21	62	29	139
Totals	60	60	178	242	540

CITY OF PERRIS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Proposed audit approach (continued)

Proposed audit timing



- Entrance conference to meet with management for pre-audit planning.
- Preliminary risk assessment procedures.
- Meet with Finance Audit Committee

Anticipated timing of each segment		
June/July	October	November/December
<ul style="list-style-type: none"> • Obtain an understanding of systems, internal controls, and current-year issues. • Assess and evaluate design and implementation of key internal controls (including IT related). • Perform tests of internal controls as needed. • Identify control deficiencies. • Perform detailed risk assessment procedures. • Draft internal control comment letter. • Develop detailed audit plan - provide management with a detailed listing of items needed to perform the audit, including the timing of when items are needed. 	<ul style="list-style-type: none"> • Perform substantive audit fieldwork, including substantive analytical procedures. • Consider whether audit evidence is sufficient to form an opinion. • Conduct exit conference with management to discuss proposed entries, internal control issues, etc. 	<ul style="list-style-type: none"> • Determine whether, based on our substantive testing and other procedures, the financial statements, taken as a whole, are free of material misstatement. • Review all workpapers. • Evaluate financial statements and note disclosures. • Perform final analytical procedures. • Draft required reports. • Issue final required reports by or before agreed upon date. • Meet with the Finance Audit Committee.

CITY OF PERRIS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Proposed audit approach (continued)

Sample sizes

Our sample sizes will be determined in accordance with the AICPA's *Audit and Accounting Guide, Audit Sampling*, and will be selected using professional judgment as permitted by SAS No. 111: *Amendment to Statement on Auditing Standards No. 39, Audit Sampling*. Our methods are designed to provide the most audit coverage without expending excess time. Our sample sizes will depend upon our preliminary assessment of control risk, our planned substantive testing and analytical procedures as well as our professional judgement.

Computer technology in the audit (use of EDP software)

Our firm has adopted a paperless audit approach. Using our engagement software, all audit team members are linked to each other using a local router which enables them to share information at an almost real-time speed. In addition, once your trial balances and financial statements are entered into our software, we are able to observe your statements in the field allowing us to notice any variances and address them at your office. With this in mind, we would prefer all audit information in an electronic format, particularly trial balances and general ledgers. If electronic formatting is not available, all audit teams have portable scanners and printers while on location during fieldwork. In addition, we can access our accounting and auditing resources through either a wireless or wired internet connection. We link the ACFR schedules directly to our audit software trial balances, and as result, we can provide the City with fund financial statements almost immediately after importing the trial balances. Additionally, journal entries are easy to post to the ACFR schedules and the risk of data entry error is minimized. We can provide the City with our audited trial balances which show the coding of the ACFR schedules for ease of review for City staff. These reports show each account coded to a specific ACFR line item as well as journal entries posted during the audit.

Intelligent audit technology

Our audits are designed to be intelligent using our powerful audit software tools (Engagement and Teammate Analytics). In addition, all audit team members are linked to each other using wireless connections which enables them to share information at an almost real-time speed. Below are some of the benefits of our audit technologies:

- ***We utilize Teammate Analytics, a suite of more than 150 dynamic Computer Aided Audit Tools (CAATs). This allows us to analyze large amounts of data in seconds. Using data received directly from the City, we can perform the following: search for duplicate checks, detect transactions occurring on holidays/weekends or during unusual hours, perform Benford's Law analysis, and identify instances when a vendor has issued multiple invoices with sequential references along with many other tests. The software empowers our audit teams with the ability to perform powerful, meaningful data analysis which will build upon our other value-added services.***
- We can create our own analytical schedules allowing for easy analysis of current balances to prior year balance, current vs budget balance, thus reducing significant City staff time.
- Once your trial balances and financial statements are entered into our software, we can observe your financial statements in the field allowing us to notice any variances and address them immediately.
- We link the financial statement schedules directly to our audit software trial balances, and as a result, we can provide the City with fund financial statements almost immediately after importing the trial balances.
- We can provide the City with our audited trial balances which show the coding of the financial statement schedules for ease of review for City staff. These reports show each account coded to a specific financial statement line item/function as well as journal entries posted during the audit.

CITY OF PERRIS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Proposed audit approach (continued)

Analytical procedures

In order to properly utilize analytical procedures, industry background and knowledge are needed. With our firm's long history and qualified staff, we believe we have the necessary knowledge and experience to effectively apply analytical procedures. We will utilize analytical review procedures throughout our audit of the City.

- During the *interim* phase of our audit, we will compare current and prior year unadjusted balances to determine which areas may need additional analysis; we will also compare current year actual amounts to the City's annual budget (both original and adopted).
- During the *final* phase of our audit, we will perform procedures like those mentioned above, as well as compare certain financial ratios for current and prior years. We will also conduct certain "reasonableness" tests. Any significant variances are investigated further through inquiry and other substantive testing as deemed necessary until resolved to our satisfaction.
- Finally, after we have completed our fieldwork, we will compare current and prior year audited balances, keeping in mind expected relationships obtained from our knowledge of the City, similar entities, and the general economic environment. In addition, we may choose to use various other analytical techniques such as trend analysis, etc.

Unlike other audit firms, we use analytical procedures to supplement our substantive testing, not supplant them.

Understanding of internal control over financial reporting

Our approach to obtaining an understanding of the City's internal control over financial reporting will be performed in accordance with professional standards as promulgated by the American Institute of Certified Public Accountants - our understanding will include the *Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring*. We will use customized procedures which we have developed internally to evaluate your internal control systems. By combining our customized procedures and our detailed knowledge of the City and its environment, we will be able to provide constructive feedback in areas we feel need improvement. In addition to our customized procedures, we will also perform the following:

Control Environment. Through inquiry of the City's personnel, prompted by questionnaires, personal knowledge, and review of the minutes of the governing body meetings, we will obtain an understanding of management's and the governing body's attitudes, awareness, and actions concerning the control environment, focusing on the substance of the controls rather than their form.

Risk Assessment. Through inquiry of the City's personnel and the use of questionnaires, we will obtain sufficient knowledge of the City's risk assessment process to understand how management considers risks relevant to financial reporting objectives and decides upon actions to address those risks. This will include understanding how management identifies risks, estimates the significance of these risks, assesses the likelihood of their occurrence, and relates them to financial reporting.

Control Activities. Certain control procedures will be documented during our analysis of the control environment and the accounting system. However, many specific control procedures will still need to be documented that will focus primarily on the City's major transaction cycles. As mentioned above, we will test the City's control procedures on which we intend to rely on for safeguarding assets from unauthorized use or disposition and detecting/preventing unauthorized transactions. Any flow charts, organizational charts and any other manuals, programs, and financial and management information systems will be analyzed during this process.

CITY OF PERRIS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Proposed audit approach (continued)

Information and Communication. Through inquiry of the City's personnel, we will identify the major types of transactions engaged in by the City. We will become familiar with the treatment of those transactions, including how the transactions are initiated, the related accounting records, and the manner of processing the transactions. Finally, we will obtain an understanding of the City's financial reporting process used to prepare financial reports, including the approaches used in making accounting estimates and disclosures.

Monitoring. Through inquiry of the City's personnel and the use of questionnaires, we will obtain sufficient knowledge of the major types of activities the City uses to monitor internal control over financial reporting. We will also determine how those activities are used to initiate corrective actions.

Approach in determining applicable laws and regulations

We understand the importance of laws and regulations in planning an audit of a local governmental entity and design all our audits to ensure we test transactions for compliance. As part of our audit process, our audit team will obtain an understanding of the laws and regulations that will have a direct and material effect on the City's financial statements. In determining which laws and regulations are applicable to the City's financial statement audit, we will consult the following sources:

- AICPA Audit and Accounting Guide, *Audits of State and Local Governments*
- California Government Code (investments, GANN limit requirements, etc.)
- Applicable State of California laws
- U.S. Government Accountability Office's *Government Auditing Standards* (The Yellow Book), latest revision
- Applicable contracts/grants of the City
- *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (OMB Uniform Guidance)

After consulting the applicable sources, we will design our audit to provide reasonable assurance of detecting material instances of noncompliance while continuing to refer to the applicable compliance guideline to ensure changes in compliance are not missed.

Approach in drawing samples for compliance testing

Our approach to be taken in drawing audit samples for purposes of tests of compliance will depend on the number of transactions, the amounts of financial assistance provided (as applicable), and the City's internal controls over the respective programs. Our audits are designed to ensure we will select samples that will provide sufficient evidence of the City's compliance with the laws and regulations that will have a material effect on compliance with laws and regulations.

Evaluation of internal controls and management letter comments

In connection with each audit, a comprehensive review of internal controls over financial reporting will be performed. Our firm uses customized internal control questionnaires, information technology questionnaires and narratives to gain an understanding of the internal control process during the audit process. If we identify any weaknesses and after discussion with the appropriate City staff, we will submit a management comment letter which will identify weaknesses observed during the audit process. The management comment letter will provide our recommendation for correction and we will also provide management with the opportunity to comment on our findings.

CITY OF PERRIS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Proposed audit approach (continued)

There are three classifications of internal control deficiencies. We will work carefully with your staff to ensure the correct classification of any identified internal control deficiencies. The three classifications are as follows:

- *Control deficiency* – a minor internal control deficiency that can be communicated either verbally or in writing to management.
- *Significant deficiency* – a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance, and must be communicated in writing.
- *Material weakness* – a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis, and must be communicated in writing to those charged with governance.

When we prepare internal control recommendations, we obtain a thorough understanding of the specific circumstances surrounding the findings and discuss the matters with management prior to drafting the letter. We work with your staff to ensure that the recommendation is reasonable and practical to implement.

Effect of COVID-19 on our audits

The COVID-19 pandemic led to most of our audits being performed remotely in 2020 and 2021. We were highly flexible with our clients and were able to perform almost all our audits remotely unless the clients requested a limited staff presence on-site. No matter how the pandemic continues to develop in California, we are prepared and able to continue serving our clients remotely, and even on-site with the appropriate precautions.

Auditing in a remote environment

The availability and use of technology has had a significant impact on the accounting and auditing profession, allowing us to provide professional services across longer distances and more timely than ever before. We have continued to evolve our ability to serve our clients remotely throughout the COVID-19 pandemic and have experienced new efficiencies for both auditor and auditee. We anticipate continuing to perform substantially all our audit work remotely and will work with the City to maximize the remote efficiencies using technology. If the City would like members of the audit team on-site, we will work with City management on determining an acceptable staffing level.

We maintain regular and routine contact with our clients throughout the audit planning, fieldwork, and conclusion phases of the audit with the use of email, phone calls, secure portals, video conferencing, project tracking schedules, and any other means necessary to ensure the timely completion of the audit by any agreed-upon deadlines. Our audit team is very responsive to our clients and we encourage our clients to connect with us throughout the year for any matters that may affect the audit or of a general accounting nature. We have found this to be mutually beneficial for both our clients and the annual audit work.

CITY OF PERRIS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Identification of anticipated potential audit problems

GASBS implementation

One potential problem could be the implementation of any future Governmental Accounting Standards Board Statements. With our deep understanding of governmental accounting and auditing, constant training, and broad resources, we do not anticipate any issues during a GASB implementation. Our approach to any GASB statement implementation would be as follows: gain a thorough understanding of the pronouncement; determine applicability to the City; if applicable, discuss the statement and how it will affect the City with City staff; and provide guidance to City staff on the accounting and financial reporting implications.

COVID-19 considerations

In addition, we will consider the following items related to the pandemic:

- Any changes in internal control procedures due to City staff working remotely, staff reductions, including related IT changes.
- Valuation issues related to investments as well as accounts receivable balances.
- Pandemic related grant funding (FEMA grants, CARES Act funding, ARPA funding received directly from the Federal government and amounts passed through from the State and/or counties).
- The effects of reduced revenues, staffing, etc. on budget vs. actual comparisons.

RECENT GOVERNMENT CLIENTS SERVED

<u>Government Client</u>	<u>Years Served</u>		<u>CSMFO/ GFOA Awards</u>	<u>Successor Agency</u>	<u>Housing Authority</u>
City of El Cajon	06/30/07	to 06/30/21	Yes	Yes	Yes
City of Exeter	06/30/17	to 06/30/21			
City of Woodlake	06/30/17	to 06/30/21			
Town of Yucca Valley	06/30/08	to 06/30/21	Yes	Yes	Yes
City of La Verne	06/30/11	to 06/30/21	Yes	Yes	Yes
City of San Jacinto	06/30/11	to 06/30/21		Yes	Yes
City of Twentynine Palms	06/30/11	to 06/30/21	Yes	Yes	Yes
City of La Mesa	06/30/11	to 06/30/21		Yes	Yes
City of Menifee	06/30/14	to 06/30/21	Yes		
City of San Marcos	06/30/14	to 06/30/21	Yes	Yes	Yes
City of Redondo Beach	06/30/12	to 06/30/16	Yes	Yes	Yes
City of Loma Linda	06/30/13	to 06/30/21	Yes	Yes	Yes
City of Sierra Madre	06/30/12	to 06/30/21	Yes	Yes	Yes
Successor Agency to the County of SB	06/30/14	to 06/30/21			
City of Hawthorne	06/30/16	to 06/30/21	Yes	Yes	Yes
City of West Covina	06/30/16	to 06/30/20	Yes	Yes	Yes
City of Aliso Viejo	06/30/16	to 06/30/21	Yes	No	No
City of Claremont	06/30/16	to 06/30/21	Yes	Yes	Yes
City of Thousand Oaks	06/30/18	to 06/30/21	Yes	Yes	Yes
City of South Pasadena	06/30/18	to 06/30/20		Yes	Yes
City of Rolling Hills Estates	06/30/19	to 06/30/21	Yes		
City of Poway	06/30/14	to 06/30/19	Yes	Yes	Yes
City of Capitola	06/30/12	to 06/30/18	Yes	Yes	Yes
City of Fillmore	06/30/08	to 06/30/18	Yes	Yes	Yes
City of Chino	06/30/11	to 06/30/16	Yes	Yes	Yes
City of Rosemead	06/30/11	to 06/30/17	Yes	Yes	Yes
City of Moorpark	06/30/12	to 06/30/17	Yes	Yes	Yes
City of Calabasas	06/30/20	to 06/30/21	Yes	Yes	Yes
City of Lawndale	06/30/20	to 06/30/21	Yes	Yes	Yes
City of San Bernardino	06/30/20	to 06/30/21	Yes	Yes	Yes
Town of Windsor	06/30/19	to 06/30/20		Yes	Yes
City of Ojai	06/30/20	to 06/30/21		Yes	Yes
City of Moreno Valley	06/30/20	to 06/30/21	Yes	Yes	Yes
City of Beaumont	06/30/20	to 06/30/21		Yes	Yes
City of Imperial Beach	06/30/21				
City of San Dimas	06/30/21				

RECENT GOVERNMENT CLIENTS SERVED (continued)

<u>Government Client</u>	<u>Years Served</u>	<u>CSMFO/ GFOA Awards</u>	<u>Successor Agency</u>	<u>Housing Authority</u>
Crestline Village Water District	04/30/96 to 04/30/21			
Crestline-Lake Arrowhead Water	06/30/98 to 06/30/21			
San Bernardino Valley Muni Water District	06/30/04 to 06/30/21			
Elsinore Valley Municipal Water District	06/30/15 to 06/30/21	Yes		
Ventura Regional Sanitation District	06/30/07 to 06/30/19	Yes		
Saticoy Sanitary District	06/30/07 to 06/30/19			
Pine Cove Water District	06/30/10 to 06/30/21			
Western Municipal Water District	06/30/11 to 06/30/16	Yes		
WRCRWA	06/30/11 to 06/30/16			
Vista Irrigation District	06/30/11 to 06/30/16	Yes		
Idyllwild Water District	06/30/11 to 06/30/21			
Vallecitos Water District	06/30/15 to 06/30/18	Yes		
Big Bear Area Regional Wastewater	06/30/12 to 06/30/21	Yes		
Beaumont Basin Watermaster	06/30/13 to 06/30/20			
Mojave Water Agency	06/30/19 to 06/30/21			
Costa Mesa Sanitary District	06/30/15 to 06/30/17	Yes		
Beaumont Cherry Valley Water District	12/31/17 to 12/31/20	Yes		
United Water Conservation Agency	06/30/15 to 06/30/19	Yes		
Inland Empire Resource Cons. District	06/30/04 to 06/30/16			
Rosamond Community Services District	06/30/15 to 06/30/21			
Rossmoor Community Services District	06/30/05 to 06/30/21			
Rim of the World Park & Rec. District	06/30/06 to 06/30/21			
Ventura County Regional Energy	06/30/07 to 06/30/19			
Heartlands Communications Fac Auth	06/30/07 to 06/30/21			
Heartlands Fire Training Authority	06/30/07 to 06/30/21			
Consolidated Fire Agencies	06/30/14 to 06/30/21			
Riverside County Habitat Con. Agency	06/30/15 to 06/30/21			
Santa Ana Watershed Association	12/31/09 to 12/31/18			
Capistrano Bay Community Services District	06/30/13 to 06/30/21			
Ventura County Public Fin Authority	06/30/12 to 06/30/21			
Nipomo Community Services District	06/30/16 to 06/30/21	Yes		
SBIAA	06/30/17 to 06/30/21			
West Valley San Bernardino Water District	06/30/17 to 06/30/19			
WRCOG	06/30/17 to 06/30/21	Yes		
San Diego Workforce Partnership	06/30/16 to 06/30/21			
Rubidoux Community Services District	06/30/16 to 06/30/21			

RECENT GOVERNMENT CLIENTS SERVED (continued)

<u>Government Client</u>	<u>Years Served</u>	<u>CSMFO/ GFOA Awards</u>	<u>Successor Agency</u>	<u>Housing Authority</u>
CSUSB - Student Union	06/30/05 to 06/30/19			
CSUSB - Associated Students Inc.	06/30/10 to 06/30/19			
CSUSB - Philanthropic Foundation	06/30/11 to 06/30/19			
CSUSB - University Enterprise Corp.	06/30/11 to 06/30/19			
Helendale Community Services District	06/30/10 to 06/30/18			
Conejo Recreation and Park District	06/30/19 to 06/30/21			
Upper San Gabriel Valley MWD	06/30/19 to 06/30/21			
March Joint Powers Authority	06/30/19 to 06/30/21			
Chino Basin Desalter Authority	06/30/19 to 06/30/21			
Mountains Recreation and Conservation	06/30/19 to 06/30/21			
Triunfo Sanitation	06/30/20 to 06/30/21			
Yucca Valley Airport	06/30/20 to 06/30/21			
Resource Conservation District of the Santa Monica Mountains	06/30/15 to 06/30/21			
North County Dispatch	06/30/19 to 06/30/21			
West Basin Municipal Water District	06/30/20 to 06/30/21			
Mission Springs Water District	06/30/20 to 06/30/21			
Palos Verdes Transit Authority	06/30/19 to 06/30/21			
San Bernardino Valley Water Conservation District	06/30/17 to 06/30/20			
Riverside County Regional Park & Open Space District	06/30/16 to 06/30/20			
Running Springs Water District	Accounting support			
Phelan Pinon Hills Community Services District	Accounting support			
City of Canyon Lake	Accounting support			
City of Rolling Hills	Accounting support			

PROPOSER GUARANTEES AND PROPOSER WARRANTIES

- A. The proposer certifies it can and will provide and make available, at a minimum, all services in this request for proposal.
- B. Proposer warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof.
- C. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of the City of Perris.
- D. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official:  _____

Name (typed): Terry Shea, CPA _____

Title: Partner _____

Firm: Rogers, Anderson, Malody & Scott, LLP _____

Date: April 15, 2022 _____

ATTACHMENT 3

**FEE PROPOSAL – ROGERS,
ANDERSON, MALODY AND SCOTT,
LLP**

City of Perris

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

DOLLAR COST BID

For the years ended June 30, 2022, 2023 & 2025

PREPARED BY:

ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS

April 15, 2022

Total all-inclusive price

Summary of all-inclusive fees

	<u>Amount</u>
Fiscal Year 2021/2022	\$ 83,195
Fiscal Year 2022/2023	85,945
Fiscal Year 2023/2024	<u>89,120</u>
Grand Total	<u>\$ 258,260</u>
<u>Single Audit</u>	
Fiscal Year 2021/2022	<u>\$ 5,000</u>
Fiscal Year 2022/2023	<u>\$ 5,250</u>
Fiscal Year 2023/2024	<u>\$ 5,450</u>

For the first major program, each additional major program will be \$3,500.

City of Perris
Total all-inclusive fees - Fiscal year 2021/2022

	<u>Hours</u>	<u>Standard Hourly Rates</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partner	60	\$ 305	\$ 260	\$ 15,600
Manager	60	205	155	9,300
Senior	178	150	135	24,030
Staff	<u>242</u>	110	100	<u>24,200</u>
	<u>540</u>			
Sub-Total				73,130
Out-of-pocket expenses				<u>-</u>
Preparation of ACFR and Component Unit Financial Statements				3,000
Preparation of Financial Transaction Reports for the City and Special Districts				5,000
Agreed-Upon procedures regarding appropriations limit				500
Preparation of the non-profit tax return - Community Economic Development Foundation				<u>1,565</u>
Total all-inclusive price (Fiscal Year 2021/2022)				<u>\$ 83,195</u>

City of Perris
Total all-inclusive fees - Fiscal year 2022/2023

	<u>Hours</u>	<u>Standard Hourly Rates</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partners	60	\$ 310	\$ 260	\$ 15,600
Manager	60	205	160	9,600
Senior	178	155	140	24,920
Staff	<u>242</u>	115	105	<u>25,410</u>
	<u>540</u>			
Sub-Total				75,530
Out-of-pocket expenses				<u>-</u>
Preparation of ACFR and Component Unit Financial Statements				3,080
Preparation of Financial Transaction Reports for the City and Special Districts				5,200
Agreed-Upon procedures regarding appropriations limit				520
Preparation of the non-profit tax return - Community Economic Development Foundation				<u>1,615</u>
Total all-inclusive price (Fiscal Year 2022/2023)				<u>\$ 85,945</u>

City of Perris
Total all-inclusive fees - Fiscal year 2023/2024

	<u>Hours</u>	<u>Standard Hourly Rates</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partners	60	\$ 310	\$ 265	\$ 15,900
Manager	60	210	165	9,900
Senior	178	160	145	25,810
Staff	<u>242</u>	120	110	<u>26,620</u>
	<u>540</u>			
Sub-Total				78,230
Out-of-pocket expenses				<u>-</u>
Preparation of ACFR and Component Unit Financial Statements				3,180
Preparation of Financial Transaction Reports for the City and Special Districts				5,500
Agreed-Upon procedures regarding appropriations limit				540
Preparation of the non-profit tax return - Community Economic Development Foundation				<u>1,670</u>
Total all-inclusive price (Fiscal Year 2023/2024)				<u>\$ 89,120</u>

ATTACHMENT 4

TECHNICAL AND COST PROPOSAL
– THE PUN GROUP

CITY OF PERRIS

Submitted By:

Frances J. Kuo, CPA, CGMA

Partner

200 East Sandpointe Ave, Suite 600

Santa Ana, CA 92707

(949) 777-8805 | frances.kuo@pungroup.com

TECHNICAL PROPOSAL

Professional Auditing Services

April 15, 2022



**THE
PUN GROUP**
ACCOUNTANTS & ADVISORS

Historic Southern California Railway Museum
Perris, CA
www.scrp.org



WHY CHOOSE THE PUN GROUP LLP?

Kenneth H. Pun, CPA, CGMA
Founder & Managing Partner

“ The Pun Group’s most valuable asset is our people, they and their deep experience drive our every interaction with clients. ”

- Big firm expertise, small firm values
- Personal attention meets technical expertise
- A unique firm culture
- Innovation embraced
- Achievable plans to move your organization forward

The Pun Group LLP is recognized for its professionalism, integrity, and providing clients with practical solutions unique to their circumstances and issues. You will receive a superior level of service and a quality audit.

Thank You!

Thank you for allowing us to submit our qualifications to provide you with Professional Audit Services.

The Pun Group, LLP

The Pun Group LLP
Certified Public Accountants and Business Advisors

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The Pun Group Wins 2022 “Best of Accounting” Award



The Pun Group is proud to have won 2022's Best of Accounting® award from ClearlyRated. ClearlyRated recognizes the best in staffing, accounting, and other professional services by recording Net Promoter Scores® (NPS) and reviews to measure client satisfaction.

This award is unique in the U.S. and Canada because it is the only accolade that relies solely on ratings submitted from third-party validated survey responses. Firms that receive a ClearlyRated award are recognized as “leading their industry through their ongoing commitment to service excellence.” The Pun Group received a positive 88.9% NPS, reflecting an exceptionally loyal and satisfied audience.

“Winners of the 2022 Best of Accounting award for client satisfaction have demonstrated their commitment to delivering exceptional client service, even as Covid-19 has forced them to reimagine and rebuild their approach to business,” said ClearlyRated's CEO and Founder, Eric Gregg.

Our firm excelled in five key areas: Responsiveness, Quality, Value, Needs Understanding, and Proactive Approach.

About ClearlyRated

Rooted in satisfaction research for professional service firms, ClearlyRated utilizes a Net Promoter® Score survey program to help professional service firms measure their service experience, build an online reputation, and differentiate on service quality.

“

“The Pun Group is not there to judge if a finance team is underperforming; they have the attitude to partner with the client to resolve issues and to streamline processes for the next audit.”

Roger R.

“

“We've been working with The Pun Group for years and they've always been responsive. Their fees are also much more reasonable than most.”

Graciela S.

“

“The firm's responsiveness and technical knowledge during the audit. My staff likes having Suralink (client's portal) whereby prepared by client schedules and requests for additional information can be easily uploaded.”

State & Local Client

“

“The Pun Group provides exceptional service on a consistent basis.”

David W.



City of Perris

April 15, 2022

City of Perris
Finance Department
Ernie Reyna, Deputy City Manager
101 North "D" Street
Perris, CA 92570

Re: RFP for Professional Audit Services

Dear Ernie Reyna:

On behalf of The Pun Group LLP we are pleased to present our proposal to continue to provide Professional Audit Services for the City of Perris (the "City") for fiscal years ending June 30, 2022, 2023, and 2024 with the option to extend for two (2) additional fiscal years. We sincerely appreciate the opportunity to have served as your auditor in the past, and we look forward to continuing to serve you well into the future.

Our Firm has developed an understanding of the City's operations which has aided us in delivering quality audit services. With the knowledge we gathered since we started providing services to the City, we have been able to expand our audit efforts and offer observations that have assisted the City's staff. We have also demonstrated our ability to respond to the City's requests and our ability to deliver quality services. It's our further understanding the City has been satisfied with our efforts.

This letter is an acknowledgment of the Firm's understanding of the work to be performed. We are offering our commitment to deliver all of the required work, complete the audit, and issue the necessary auditor's reports within the periods outlined by the City. No subcontractors will be utilized for this engagement.

The Pun Group is the right choice for the City of Perris because:



We Understand the Demographics and Your Needs. The Pun Group is reputable for its governmental practice. We are the principal auditors for cities in California such as Bell, Calexico, Corona, Coachella, Desert Hot Springs, Gardena, Gilroy, Lakewood, Lodi, Monterey, National City, Napa, Palm Springs, Perris, Rohnert Park, San Mateo, Stockton, Tracy, and several others. Accordingly, the proposed engagement team has a deep understanding of the current issues that municipalities are facing, such as varying demographics, economic environments, and the constantly changing landscape of laws and regulations.



Recognized Leader in the Governmental Industry. We are a small national Firm with licenses in the States of California, Arizona, and Nevada and a proven leader in professional services to the government sector. All key engagement team professionals are licensed to practice as Certified Public Accountants and meet the Continuing Professional Education requirements under US GAO's Government Auditing Standards to perform the proposed audits. The partners and all employees proposed to perform the requested services do not have a record of substandard audit work nor have any outstanding claim of substandard practice or unsatisfactory performance pending with the State Board of Accountancy or other professional organizations. In addition, we are members of the national AICPA Audit Quality Center.

We strongly believe that part of our success is credited to our professionals' participation with various industry-leading organizations. Such affiliations are critical to addressing emerging accounting and auditing issues within the industry environment.

The Firm is the recipient of several awards, including the SARC's Award for Excellence in Knowledge, Value, and Overall Client Satisfaction (2021). This particular award results from positive feedback from our clients in an independent survey, demonstrating our Firm's highest commitment to Federal standards, quality, and client satisfaction.



Award for Excellence
Recipient

200 E. Sandpointe Ave., Suite 600, Santa Ana, California 92707
www.pungroup.cpa



You'll Work with a Team that Embraces Innovation and Continuous Improvement. Our Firm is committed to continuous improvement as it relates to service delivery. We embrace innovation and identify areas of technological enhancements in our audit and project management approaches. For example:

Secure Data File Transfer System. In order to improve audit efficiency, workflow management software plays an essential role between your organization and our engagement team. We employ a secure data file transfer system called Suralink. Suralink's dynamic request list is integrated with our secure file hosting system for seamless document-request coordination, including the upload of large-size files. It means all our requests are in one place, updated in real-time, and accessible by everyone working on the engagement. Not only makes the operation more cost-efficient, but it also enables you and your team to spend your time getting the job done, not reconciling a messy list of outstanding items. In addition, Suralink's dashboard allows you to visualize the process of the document-request fulfillment.

AI Auditor. The Pun Group leverages the technology and research tools required to provide excellent services to its clients. With the usage of Artificial Intelligence (AI) technology, the Firm is capable of issuing all reports requested faster than other audit firms, without exposing the City to unnecessary risks.

Remote Auditing Capability. Remote working arrangements have suddenly become the "new normal" in these trying times. Our Firm has deployed top-notch technology and fully transitioned to "remote auditing," offering our clients the quality services they deserve while being fully "remote" or operating in a "hybrid" schedule. "On-site" audits are still the Firm's preferred method, and we'll continue to offer and promote those as well.



Knowledge is Shared with You. As part of our pledge to keep you updated on new technical accounting and financial issues, we implemented our 2022 *Virtual Government Accounting Conference*, which qualifies for up to 15 hours of CPE – nearly double of what other firms offer. These online sessions are free of charge and part of the service package provided to you. More details and dates can be found on the "*Client Training Webinars*" topic under this proposal.

The Pun Group is proud of its inclusive values and is an avid promoter of equality and diversity. In addition, the Firm is an equal opportunity employer and complies with all federal and state hiring requirements. We're proud of supporting affirmative-action philosophies and work hard to provide opportunities for self-enhancement to members of disadvantaged groups.

This proposal is a firm and irrevocable offer valid for five (5) years following the closing date for the receipt of all proposals.

Finally, we would like to emphasize one additional point: **We want to keep your trust and your business!** We are confident that the energetic and experienced team we have assembled is the right one for the City.

Our commitment to continue serving the City of Perris cannot be adequately conveyed in a letter, and I look forward to continuing the discussion with you. I'm assigned as your primary contact for contract negotiations and stand steadfast to serve as your engagement/lead partner. I'm also authorized to legally bind the Firm.

Should you have any questions or wish to discuss this proposal, please do not hesitate to contact me at (949) 777- 8805 or by email at frances.kuo@pungroup.com.

Sincerely,

Frances J. Kuo, CPA, CGMA | Partner | The Pun Group LLP
200 E. Sandpointe Ave. Suite 600, Santa Ana, CA 92707

Independence

The Pun Group LLP requires all employees to adhere to strict independence standards concerning the Firm's clients. These independence standards exceed, in many instances, the rules promulgated by the American Institute of Certified Public Accountants (AICPA).

The Pun Group LLP certifies that it is independent of the City of Perris and its component units. The Firm meets independence requirements defined by the United States Government Accountability Office's (US GAO's) Government Auditing Standards and the American Institute of Certified Public Accountants (AICPA). Based on that, we have not identified an instance that constitutes a conflict of interest relative to performing the services requested by the City.

In addition, the Firm has no conditions such as bankruptcy, pending litigations, planned office closures, mergers, or any organizational conflict of interest that may affect the ability of the Firm to perform the required duties requested by the City of Perris.

License to Practice in California

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 US GAO's Government Auditing Standards to perform the proposed audits.

Firm Registration:

California State Board of Accountancy Number – PAR 7601
Federal Identification Number – 46-4016990

Business License

If selected, the Firm will maintain a valid City of Perris's Business License while conducting any work under the contract. A copy of our current business license with the City is presented in the Appendices section of this proposal.

Firm Qualifications and Experience

About the Firm

The Pun Group LLP, Certified Public Accountants, and Business Advisors, founded in 2012, is a limited liability partnership. We are a full-service accounting firm comprised of forty-five professionals providing auditing, accounting, and advisory services to our clients. Our Governmental Division consists of forty full-time individuals. It's comprised of seven (7) Partners, one (1) director, four (4) managers, one (1) Chief Operating Officer, two (2) Supervisors, four (4) Seniors, seventeen (17) Professional Staff, two (2) Word Processors, and two (2) Administrative Support Staff.

The Firm has become one of the "Top Accounting Firms" in Orange County according to the Orange County Business Journal and is also on the list of CalCPA Top 150 firms.

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

Our Partners' Group—which includes Kenneth Pun, Frances Kuo, Coley Delaney, Kenneth Macias, Vanessa Burke, John Georger Jr., and Gary Caporicci — provides auditing, accounting, and advisory services to numerous governmental entities throughout the United States. With more than two hundred years of combined experience in the industry, we have become a trusted business partner and are well-respected as leaders in the industry in one of the fastest-growing firms. With nearly 100 government and not-for-profit audit clients, our Partners have a real passion for the industry and believe we are unmatched regarding our municipal experience. The firm also meets professional standards generally accepted in the United States of America and the standards applicable to financial audits contained in 'Government Auditing Standards' issued by the Comptroller General of the United States.

The Firm's headquarters are located in Orange County, California, with four branches in San Diego, Walnut Creek/Sacramento (California), Las Vegas (Nevada), and Phoenix (Arizona).

The *Orange County* office located at 200 E. Sandpointe Ave. Suite 600, Santa Ana, CA 92707, will perform the requested services for the City. However, we may assign additional staff from our other offices to the engagement, at no extra cost to the City. No subcontractors will be used in this engagement.

Global Capabilities

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

OUR FIRM AT A GLANCE



45 full-time auditing, accounting, tax and advisory professionals



One of the fastest growing firms serving California, Nevada and Arizona



Client retention rate: 90 – 95%



5 offices across 3 states



OUR AFFILIATIONS



Full-Time Government Auditors

As full-time government auditors, we understand that governmental entities do not operate independently but in an increasingly complex web of local, state, and federal relationships. We know how these relationships work, what they mean at the local level, and how every public organization's focus on resource management is critical to success.

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

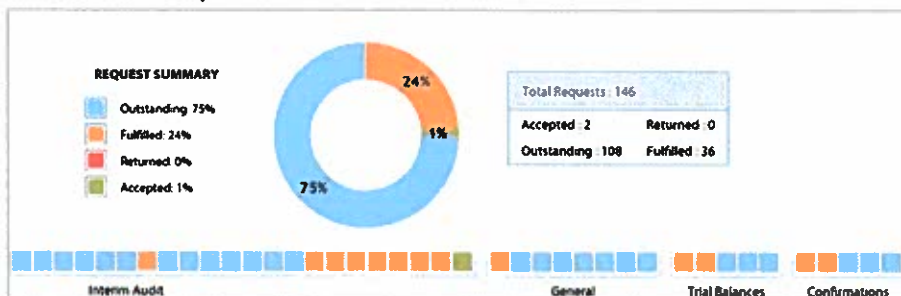
Local Office's Information Technology (IT) Audit Capabilities

The Pun Group LLP continues our efforts to invest in our IT system to enhance our security further and promote audit efficiency.

Top security for your data is the key to our success. When we have your data virtualized, our Firm takes all the preventive steps to avoid putting your information at risk. Our In-House IT administrator maintains our server to ensure our IT environment is continuously updated with the latest security fixes. Through VPN and Microsoft Remote Desktop, our In-House network administrator can lockdown files and system access from a single point, limiting the ability for remote sites to take data from our server.

Access to systems from anywhere and anytime. With more mobility being the norm rather than the exception, our engagement team needs robust access to the engagement files when they are working in your office. Accounting and Auditing Software applications are installed in our "Private" server and can be securely accessed through VPN and Microsoft Remote Desktop. The Firm uses CCH ProSystem fx® Engagement for audit documentation, which allows real-time synchronization of the work papers and instant collaboration quality control review.

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



BIG FIRM EXPERTISE. SMALL FIRM VALUES.

Our professional backgrounds at major national firms showed us how to solve complicated business and accounting challenges, but the sense of personal connection was missing.

We launched The Pun Group because we believe every client deserves to work with experienced business advisors and CPAs who have the time – and take the time – to create an authentic connection. Every client is our top priority!



A UNIQUE CULTURE.

"Personalization" is not just a buzzword – it's part of our firm's culture. We take a personal approach to everything we do. We collaborate with our clients, so they're always part of the process. We listen to our staff to make sure they have the right support and resources to do a great job. Getting to know others and discovering how we can serve them better is not just a sign of good business practices; it's a sign of good people.



INNOVATION EMBRACED.

New ideas keep you ahead of the game. From leveraging the value of emerging technologies to further refining trusted processes, we adopt proven solutions to meet your needs.



WHERE YOU GO, WE GO.

WHERE YOU GROW, WE GROW.

Our success is defined by how you achieve yours. Partner with accomplished accounting and financial professionals who are laser-focused on taking your business to the next level.

Our Services

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



ASSURANCE

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



ADVISORY

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



OTHER SERVICES

- Assistance with the preparation and review of the Annual Comprehensive Financial Report
- Government property lease excise tax compliance review
- Sub-recipient monitoring
- Implementation of new GASB pronouncements
- Audit readiness services
- Contract Finance Director/Accountant services

Cannabis Compliance Services

Many cities have authorized commercial cannabis to operate within their local jurisdiction. Compliance issues are common in California's newly regulated cannabis industry, which is no surprise given the complexity of the state's regulatory landscape.



The Pun Group LLP has developed a platform to guide government agencies and commercial enterprises through the new and challenging steps in this emerging market. We have partnered with *Simplifya*, which has developed a cloud-based government agency/licensee compliance solution. *Simplifya*, headquartered in Denver, Colorado, and at the forefront since legalization in Colorado, has been an industry leader in commercial cannabis compliance since 2016. This new software allows government agencies to monitor their licensees at every stage of the approval process, from initial licensing to renewal and continuing disclosure requirements. Your communities demand that these new cannabis businesses operate based on the ordinances that you have passed. We can help ensure businesses are working in compliance, and when they are not, your team receives an immediate notification.

The Pun Group LLP has proven itself as a leader in the assurance and advisory field in the government arena. With the addition of *Simplifya* to our service offering, we have strengthened our position as a leading firm to help with your compliance needs and in unconventional areas, as they emerge.

Disciplinary Action

State regulatory bodies or professional organizations have taken no disciplinary action against the Firm or any of its partners, managers, or professionals during the past three (3) years.

Federal or State Desk Review

No federal or state desk reviews or field reviews have been undertaken of any audits performed by the Firm or any of its partners, managers, or professionals during the past three (3) years.

Peer Review

Being a member of the American Institute of Certified Public Accountants (AICPA), The Pun Group LLP is required to obtain an independent peer review of our audit and accounting practice every three (3) years. The peer reviewer assessed the Firm's quality-control policies, reviewed administrative records, interviewed professional personnel, and inspected the Firm's working papers and reports from a representative sample of accounting and auditing engagements, including governmental audits. The reviewer concluded that the Firm fully complied with the AICPA's stringent standards for quality control and issued a peer review rating of "Pass."

Our Firm's Peer Review is currently underway. A copy of our most recent peer review is presented.



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☎ 607.962.6891
☎ 800.546.7556
☎ 607.973.2174
🌐 EFPRgroup.com

Report on the Firm's System of Quality Control

December 7, 2018

To the Partners of
The Pun Group, LLP
And the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of The Pun Group, LLP, (the firm), in effect for the year ended December 31, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

Firm's Responsibility

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

Peer Reviewer's Responsibility

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

Required Selections and Considerations

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

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of The Pun Group, LLP, in effect for the year ended December 31, 2017, 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*. The Pun Group, LLP, has received a peer review rating of *pass*.

EFPR Group, CPAs, PLLC

EFPR Group, CPAs, PLLC
Corning, NY

Partner, Supervisory, and Staff Qualifications and Experience

Who We Are

The engagement team was carefully selected to provide the City with all the services needed to complete the audit successfully. Your assigned Engagement and Technical Partners will be personally involved in the project, leading a team that has significant experience in *governmental auditing*. You can be confident that our broad experience and technical capabilities will allow us to provide technical support, interpret findings, and offer practical solutions to any issues that may arise.

About Your Engagement Team

The personnel assigned to this engagement are fully qualified to perform an effective audit of the City, and their extensive experience will be critical to the audit process. Our professionals are familiar with the complexities of governmental accounting, auditing, and financial reporting, including but not limited to all GASB pronouncements, the Single Audit Act, Uniform Guidance (formerly known as OMB Circular A-133), and fund operations. They have held positions as professional certified public accountants, as well as held significant roles within and outside of government agencies. Such qualities will bring to an entity like the City of Perris the thought leadership, quality, and level of experience it requires.

Because of the “familiarity threat” under the professional audit and independence standards that may exist in long-term relationships with audit firms, the Firm is committed and has sufficient resources to rotate engagement partners, managers, and or supervisors assigned to the City’s audit with personnel with similar or higher qualifications and experience in order to overcome this threat.

If the Firm changes key personnel, we will provide the City with a written notification. **Engagement partners, managers, and specialists will only be changed with the express prior written permission from the City.** Audit personnel may be replaced only by those with similar or better qualifications and experience.



Frances J. Kuo, CPA, CGMA | Engagement/Lead Partner

Frances Kuo is an Assurance Services Partner. She has extensive experience in providing audit and advisory services to local government agencies, including public pension plans, cities, counties, special districts, community colleges, and joint powers authorities, as well as not-for-profit organizations. Ms. Kuo brings a wealth of experience from her background in audits and advisory services in areas such as internal controls, policy development, and accounting system implementation. She is a Certified Public Accountant and a Chartered Global Management Accountant.

Ms. Kuo will actively serve as the Engagement/Lead Partner overseeing the Engagement Team, developing the audit plan, reviewing fieldwork for quality, approving final reports, and communicating with the Finance Department. She will also be responsible for the timely delivery of all services for the City.



Kenneth H. Pun, CPA, CGMA | Technical/Concurring Partner

Kenneth Pun is the Managing Partner and an Assurance Partner at the Firm. With over twenty-one years of public accounting experience in the state and local government sector, he specializes in audits, management, and consulting for governmental organizations. Mr. Pun has served as the Contract Deputy Finance Director for the City of San Marino in 2017. He has served as the Chair of the California Society of CPAs Governmental Auditing Accounting Committee. He is a Certified Public Accountant and a Chartered Global Management Accountant.

Mr. Pun will act as the Technical/Concurring Partner and provide a second partner review of significant high-risk areas, audit reports, and resolution of significant accounting, auditing, and reporting matters.

City of Perris



John ("Jack") F. Georger, CPA, CIA, CGMA | Quality Control Reviewer

Throughout his forty years of experience, Mr. Georger has spent many years in Big 4 and national firms. He worked diligently alongside numerous governmental municipalities, including cities, counties, and transportation agencies, as well as not-for-profit entities, providing clients with financial and compliance auditing as well as consultation services. Mr. Georger annually instructs over 300 hours in accounting and auditing subjects and has authored training material in governmental accounting and auditing for the AICPA. Mr. Georger is also the technical reviewer of the CCH Knowledge-Based Audits™ of State and Local Governments with Single Audits, GAAP Guide (FASB), and Governmental GAAP Guide (GASB), the gold standard for audit firms throughout the United States. As the Chief Quality Officer in our Firm, he advises clients with their complex accounting questions and supports the engagement team with audit issues. He is a Certified Public Accountant, a Certified Internal Auditor, and a Chartered Global Management Accountant.

Mr. Georger is responsible for reviewing all reports issued by the Firm to ensure the utmost quality and compliance with professional standards and the final quality-control assessment within the engagement.



Gary M. Caporicci, CPA, CGFM, CFF | GASB Implementation Specialist

Gary Caporicci is an appointed member of the State Controller's Retirement Advisory Committee. Mr. Caporicci is a leading expert and has authored and taught several courses for CalCPA and AICPA on GASB 68, *Accounting and Financial Reporting for Pensions*, and GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. As an assurance partner with over forty years of experience, Mr. Caporicci has performed financial, compliance audit, and consultation services to government clients, including cities, counties, transportation agencies, and school districts, as well as various not-for-profit entities. He is a Certified Public Accountant, a Certified Government Financial Manager, and Certified in Financial Forensics.

Mr. Caporicci will utilize his expertise in providing advice and consultation during the implementation of the new GASB standards.



Andrew Roth, CPA | Engagement Director

Andrew Roth is a Director within the Firm who holds an Advanced Certification in Single Audits through the AICPA. He draws more than a decade of governmental and not-for-profit experience in the areas of financial audit and reporting under governmental and financial accounting standards, evaluation of internal controls under the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Integrated Framework, the performance of Single Audits under the Uniform Guidance, subrecipient monitoring of Federal Grants, corporate financial reporting, data analytics, and exempt taxation. He is a Certified Public Accountant.

Mr. Roth will direct and supervise the audit team in its daily activities and tasks in order to deliver all services requested.



Mark Hu, CPA | Audit Supervisor

Mark is a Supervisor within the Firm. He will work with the engagement team and the finance personnel during the auditing process. He is a Certified Public Accountant.

Mr. Hu will secure the effective implementation of the services approach while assisting in the timely delivery of the requested services.

Continuing Education and Professional Development

Because of our commitment to provide the highest quality of services to the City, we provide our professionals with technical training to ensure our people stay current on topics within the industry sectors and better equip themselves to serve our clients.

All professionals are required to obtain continuing education that exceeds the requirements of the American Institute of Certified Public Accountants (AICPA) and, where applicable, *Government Auditing Standards*. Our professionals participate in continuing education programs through the following means:

- Governmental Accounting and Auditing Conference sponsored by AICPA.
- Webinar sponsored by AICPA Government Audit Quality Center.
- Annual Conference sponsored by California Society Municipal Finance Officers.
- Governmental Accounting and Auditing Conference sponsored by CalCPA.
- The Pun Group in-house training on government-specific topics, including but not limited to: GASB updates, Government Auditing Standards Revision, Fraud in State and Local Governments, COSO Internal Control-Integrated Framework, Audit of State and Local Governments, Single Audit, and Mindbridge AI Auditors™.



In 2021, our government professionals received an average of 52 hours of continuing professional education, compared with the 40 hours accounting industry requirement.

By expanding our knowledge through these seminars/conferences, we can provide the right solutions to our clients.

Staff Continuity

The Pun Group LLP is committed to maintaining staff continuity throughout audit engagements, and we can assure that the partners assigned to this audit will be involved throughout the entire contract term.

While we cannot guarantee that our staff level members will stay with the Firm, we encourage loyalty by paying competitive wages, offering opportunities for promotion, using state-of-the-art equipment, and providing excellent working conditions. Also, we offer benefits, including retirement plans, medical plans, profit-sharing programs, and continuing education.

Quality-Control System

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

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

Engagement Team Resumes

The City of Perris deserves experienced professionals who work as a team. The Pun Group LLP will provide qualified professionals to perform the audit. No subcontractors will be utilized to perform the requested services. Resumes for key engagement team members are presented as follows:



Frances J. Kuo
 CPA, CGMA
 Engagement/
 Lead Partner



EMAIL
frances.kuo@pungroup.com



WEBSITE
www.pungroup.cpa

Expertise:



CITIES



COUNTIES



TRANSPORTATION
 AGENCIES



ENTERPRISE
 OPERATIONS



HIGHER
 EDUCATION



NOT-FOR-PROFIT

Licensed to Practice in:
 California
 Arizona

EXPERIENCE

Frances Kuo is a Partner in The Pun Group, LLP's Assurance division. Frances has over sixteen (16) years of accounting and auditing experience working with governmental agencies, not-for-profit entities, and employee benefit plans. Frances also has particular expertise in conducting financial audits under GAO Yellow Book standards and compliance audits in accordance with Uniform Guidance, formerly known as OMB Circular A-133 standards.

Frances has performed audits and other attestation services for several municipalities throughout California, including cities, counties, successor agencies to former redevelopment agencies, public financing authorities, housing authorities, transportation agencies, and special districts. She has assisted these clients in publishing their Annual Comprehensive Financial Reports in compliance with GASB Statement No. 34.

Frances is the in-house instructor who provides training, both theoretical and on-the-job training, to lower-level staff. She has developed training materials on the risk-based audit approach, GASB Statement No. 34 reporting, Single Audits, and employee benefit plan audit.

EDUCATION

University of California, Riverside
 B.S. Degree – Business Administration, Emphasis in Accounting

University of California, Riverside
 B.A. Degree – Economics

LEADERSHIP & AFFILIATIONS

- Member, American Institute of Certified Public Accountants (AICPA)
- Member, California Society of Certified Public Accountants (CalCPA)
- Member, California Society of Municipal Finance Officers (CSMFO)

RELEVANT EXPERIENCE

- City of Perris
- City of Desert Hot Springs
- City of Glendora
- City of Pomona
- City of Culver City
- City of Coachella
- City of Gardena
- City of Industry
- City of Lakewood
- City of Monterey

CONTINUING PROFESSIONAL EDUCATION

Various courses offered by the Firm, online through Thompson Reuters, AICPA, CalCPA Education Foundation, including:

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

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



Kenneth H. Pun
 CPA, CGMA
 Technical/
 Concurring Partner



EMAIL
 ken.pun@pungroup.com



WEBSITE
 www.pungroup.cpa

Expertise:



CITIES



COUNTIES



TRANSPORTATION
 AGENCIES



ENTERPRISE
 OPERATIONS



HIGHER
 EDUCATION



NOT-FOR-PROFIT

Licensed to Practice in:
 California

EXPERIENCE

Kenneth H. Pun is the Managing Partner and an Assurance Partner at The Pun Group LLP, which he founded in 2012 after serving in senior-level positions for well-established national and regional firms. Under his leadership, The Pun Group has become one of the "Top Accounting Firms" in Orange County, according to the Orange County Business Journal. The Pun Group is also on the list of CalCPA Top 150 firms.

Prior to founding The Pun Group, Ken has served clients in a variety of industries, including small to very large state and local governmental agencies, insurance companies, not-for-profits, healthcare, technology, and manufacturing and distribution clients. His career in public accounting was spent primarily with the Regional firms and National firms.

Leveraging more than 21 years of public accounting experience, Ken has earned a reputation of being a trusted advisor to governmental and Healthcare organizations throughout California and neighboring states. Municipalities and public agencies engage him because of his premier level of client service, commitment, and innovative methods of increasing operational efficiencies and reducing costs.

Ken maintains his deep commitment to professional education through his work as an instructor for the California Education Foundation. He has authored training materials in governmental accounting and auditing, such as Financial Reporting for State and Local Governments, 2018 Government Auditing Standards, and Single Audit Fundamentals for California Education Foundation. He is also the technical reviewer of the CCH Knowledge-Based Audits™ of State and Local Governments with Single Audits. He advises clients on those topics at influential industry forums. Internally, Ken mentors audit teams by providing direction and technical guidance to ensure adherence to the firm's quality controls.

EDUCATION

University of California, Riverside
 B.S. Degree – Business Administration, Emphasis in Accounting

LEADERSHIP & AFFILIATIONS

- Member, American Institute of Certified Public Accountants (AICPA)
- Member, California Society of Certified Public Accountants (CalCPA)
- Past Chair, CalCPA Governmental Accounting and Auditing Committee
- Member, CalCPA California Committee on Municipal Accounting
- Member, CalCPA Governmental Accounting and Auditing Conference Planning Committee
- Member, Government Finance Officers Association (GFOA)
- Member, California Society of Municipal Finance Officers (CSMFO)
- Member, CSMFO Professional Standards Committee
- Speaker, CSMFO Conference (2014 and 2018)
- Instructor, CalCPA Education Foundation
- Technical Reviewer, CCH Knowledge-Based Audits™ of State and Local Governments with Single Audits

RELEVANT EXPERIENCE

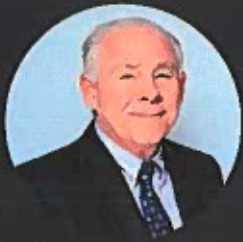
- City of Stockton
- City of Palm Springs
- City of Lakewood
- City of Pomona
- City of Clovis
- City of San Bernardino
- City of Desert Hot Springs
- City of National City
- City of Redding
- City of Shafter

CONTINUING PROFESSIONAL EDUCATION

Various courses offered by the Firm, online through Thompson Reuters, AICPA, CalCPA Education Foundation, including:

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

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



John F. Georger, Jr.
CPA, CIA, CGMA
Quality Control
Reviewer



EMAIL
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WEBSITE
www.pungroup.cpa

Expertise:



CITIES



COUNTIES



TRANSPORTATION
AGENCIES



ENTERPRISE
OPERATIONS



HIGHER
EDUCATION



NOT-FOR-PROFIT

Licensed to Practice in:
California
Arizona
Nevada

EXPERIENCE

Jack Georger is the Chief Quality Officer within The Pun Group LLP's Assurance division. By leveraging more than forty (40) years of public accounting and auditing experience in the government, agribusiness, financial services, manufacturing, and nonprofit sectors, Mr. Georger brings in-depth knowledge and practical expertise to each engagement.

Jack coordinates, plans, and manages financial audit activities, consulting activities, federal and state compliance audit activities, performance audits, and numerous quality control and internal control reviews for a broad mix of governmental agencies and programs throughout the United States.

Mr. Georger leads our Peer Review department providing peer review services to other firms under the practice monitoring program of the AICPA.

Mr. Georger is a continuing professional education course instructor for the AICPA. Annually, he instructs over 300 hours in accounting and auditing subjects. Jack has authored training material in governmental accounting and auditing for the AICPA. He is the technical reviewer of the CCH Knowledge-Based Audits™ of State and Local Governments with Single Audits, GAAP Guide (FASB), and Governmental GAAP Guide (GASB).

Mr. Georger is licensed to practice as a certified public accountant in the states of California, New York, Virginia, Maryland, District of Columbia, Missouri (inactive), Connecticut (inactive), and Wyoming (inactive). He is a Certified Internal Auditor (CIA).

EDUCATION

George Mason University Fairfax, Virginia
B.S. Degree – Accounting

LEADERSHIP & AFFILIATIONS

- Member and Instructor, American Institute of Certified Public Accountants (AICPA)
- Member, Institute of Internal Auditors
- Member, California Society of Certified Public Accountants (CalCPA)
- Member, New York Society of Certified Public Accountants (NYSSCPA)
- Chairman, NYSSCPA Government Accounting and Auditing Committee
- Member, NYSSCPA Auditing Standards Committee
- Member, NYSSCPA Sustainability Committee
- Member, NYSSCPA Not-for-Profit Committee
- Nevada Society of Certified Public Accountants (NSCPA)
- Member, Government Finance Officers Association (GFOA) – Reviewer
- Member, Institute of Internal Auditors

CONTINUING PROFESSIONAL EDUCATION

He has instructed over 300 hours of municipal accounting courses offered by the AICPA.

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



Gary M. Caporicci
 CPA, CGFM, CFF
 GASB
 Implementation
 Specialist



EMAIL

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WEBSITE

www.pungroup.cpa

Expertise:



CITIES



COUNTIES



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 AGENCIES



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HIGHER
 EDUCATION



NOT-FOR-PROFIT

Licensed to Practice in:
 California

EXPERIENCE

Gary M. Caporicci has more than forty years of diversified business experience, including a specialization in audit and management consulting for government organizations. Gary's clients include public and private universities and colleges, city and county governments, state agencies, joint power authorities, healthcare agencies, transportation agencies, and special districts. Known for his expertise in the areas of construction and government, Gary wrote the AICPA audit guides on these topics, and he has authored many audit and accounting courses for professional groups, as well as academic institutions. He frequently speaks and lectures at many professional organizations, governmental seminars, and conferences held by industry associations, other accounting firms, and universities. Also, he authors white papers for the California Committee on Municipal Accounting.

Before working with the Firm, Gary founded his accounting practice. He also spent eleven years with a "Big Eight" professional services firm, where he was an Audit Manager and gained broad experience in a wide range of industries such as government, construction, manufacturing, mutual funds, and insurance. Gary has held a consultant position with a "Big Four" practice and was Vice President of a national insurance and financial services company.

In 2015 Gary Caporicci was appointed to the State Retirement Advisory Committee by the State Controller.

EDUCATION

Armstrong University

B.S. Degree – Accounting and Finance

LEADERSHIP & AFFILIATIONS

- Member and Instructor, American Institute of Certified Public Accountants (AICPA)
- Member, Author, and Instructor, California Society of Certified Public Accountants (CalCPA)
- Past Chair, CalCPA Governmental Accounting and Auditing Committee
- Chair and Speaker, CalCPA Governmental Accounting and Auditing State Conferences
- Member, CalCPA Council
- Chair, California Committee on Municipal Accounting (CCMA)
- Member, Government Finance Officers Association (GFOA)
- Member, California Society of Municipal Finance Officers (CSMFO)
- Member, Governmental Accounting Standards Board (GASB)
- Member, Deposit and Investment Risks Disclosure Task Force (GASB No. 40)
- National Reviewer and Speaker, Government Finance Officers Association
- Adjunct Professor, National University
- Past Member, Texas Governmental Accounting and Auditing Committee
- GFOA Certificate for Excellence in Financial Reporting – Reviewer

CONTINUING PROFESSIONAL EDUCATION

Author and instructor of various municipal accounting courses offered by the AICPA, CalCPA Education Foundation, and local universities, including:

- Governmental and Non-profit Annual Update
- Government Auditing Standards
- GASB Basic Financial Statements for State and Local Governments
- Single Audits: Uniform Guidance (formerly OMB Circular A-133)
- Financial Accounting Standards Board Annual Updates
- Statement on Standards for Accounting and Review Services Updates

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



Andrew Roth

CPA

Engagement
Director



EMAIL

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WEBSITE

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Expertise:



CITIES



COUNTIES



TRANSPORTATION
AGENCIES



ENTERPRISE
OPERATIONS



HIGHER
EDUCATION



NOT-FOR-PROFIT

Licensed to Practice in:
California
Arizona

EXPERIENCE

Andrew Roth is a Director within The Pun Group LLP. He has more than twelve (12) years of governmental and not-for-profit experience in the areas of financial audit and reporting under governmental and financial accounting standards, evaluation of internal controls under the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Integrated Framework, the performance of Single Audits under the Uniform Guidance, subrecipient monitoring of Federal Grants, corporate financial reporting, data analytics, and exempt taxation. His client portfolio consists of moderate to large municipalities (cities and counties), municipal transportation districts, water districts, municipal electric utilities, and non-profit organizations whose missions involve building communities. His governmental agency clients have federal grant expenditures that range from \$100 million to \$750 million annually.

In various engagements, Andrew has been responsible for leading the service delivery where he has actively contributed and managed the planning process, implementation of the audit work plan, supervision of multiple audit teams, provided yearly team updates on the changes in compliance testing requirements for the Single Audits, and preparation of all deliverables including the Annual Comprehensive Financial Reports, the Single Audit, Compliance Reports, Data Collection Forms, and City Council/Board presentations. He has also been a guest speaker on topics involving Federal grants such as Update to Yellow Book Standards, Compliance Auditing, and Updates to the Uniform Guidance Procurement Requirements.

EDUCATION

San Diego State University
B.A. Degree – Accounting



LEADERSHIP & AFFILIATIONS

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

RELEVANT EXPERIENCE

- City of Stockton
- City of San Bernardino
- City of Placerville
- City of Beaumont
- City of Lodi
- City of Clovis
- City of National City
- City of Shafter
- Imperial County Local Transportation Authority
- San Diego Metropolitan Transit System

CONTINUING PROFESSIONAL EDUCATION

Various courses offered by the Firm, online through Thompson Reuters, AICPA, CalCPA Education Foundation, including:

- Governmental and Non-profit Annual Update
- Government Auditing Standards
- GASB Basic Financial Statements for State and Local Governments
- Single Audits: Uniform Guidance (formerly OMB Circular A-133)
- Financial Accounting Standards Board Annual Updates
- Statement on Standards for Accounting and Review Services Updates

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



Mark Hu

CPA

Audit Supervisor



EMAIL

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WEBSITE

www.pungroup.cpa

Expertise:



CITIES



TRANSPORTATION
AGENCIES



ENTERPRISE
OPERATIONS



NOT-FOR-PROFIT

Licensed to Practice in:
California

EXPERIENCE

Mark Hu, CPA, is a Supervisor at The Pun Group LLP with more than eight years of experience in providing accounting and audit services, internal control and risk evaluation, and business consulting to privately held and public companies. Mr. Hu has worked with clients in a variety of industries, including large not-for-profits entities, insurance carriers, manufacturing and distribution, and government entities.

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

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

EDUCATION

Hofstra University, New York
M.S. Degree – Accounting

LEADERSHIP & AFFILIATIONS

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

RELEVANT EXPERIENCE

- City of Stockton
- City of Redding
- City of Ridgecrest
- City of Culver City
- City of Lynwood
- City of Douglas, AZ
- City of Rohnert Park
- City of South Gate
- City of Placerville
- Alameda County Water District

CONTINUING PROFESSIONAL EDUCATION

Various courses offered by the Firm, online through Thompson Reuters, AICPA, CalCPA Education Foundation, including:

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

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

Tax Resources

We understand, from time to time, the City might need assistance in understanding and obtaining a resolution of tax matters concerning the ordinary course of municipal operations and administration, and reporting of employee fringe benefits.

Straightforward or complicated, we'll take care of it for you!

We specialize in sorting out complicated tax scenarios for businesses, nonprofits, and local governments. Our Firm offers:

- Consultation and preparation for tax-exempt status
- Annual federal and state filings
- Other regulatory filing compliance

Partnerships, closely-held businesses, international businesses, high net worth individuals, nonprofit organizations, and government agencies trust our CPAs and advisory teams to avoid common pitfalls and minimize their tax liability.

For this engagement, we have assigned a dedicated Tax Manager, Ms. Emily Hong, who can assist the City with all tax-related matters. Her short bio follows:



Emily Hong, CPA | Tax Services Manager

Emily Hong has experience in many facets of federal, state, and local income taxation. Her expertise includes income tax planning, tax return preparation, review, assistance with tax issues, and IRS correspondence and representation. She is a Certified Public Accountant.

Ms. Hong is actively involved in providing accounting and tax services to clients in various industries. She has played an integral role in tax planning and helping clients devise strategies to minimize tax liability as a means to maximize cash flow and track their financial goals. She is up to date on the tax laws and can make sense of the tax bill and notices.

Similar Engagements with Other Government Entities

References

The following are examples of some of the engagements with similar requirements as the City of Perris's proposal. Please feel free to contact these agencies to learn more about their experiences working with us.

Name of Public Agency	City of Stockton
Contact Info	Mr. Jay Kapoor (209) 937-5435 jay.kapoor@stocktonca.gov
Total Hours	3,000
Cost	\$330,000/year
Date of Services	2012 – Present
Scope of Work/Reports Prepared	Financial Audit and Compliance Services: Annual Comprehensive Financial Report, GFOA Award, Single Audit, GANN Limit, Measure A, Measure W, Measure M, Entertainment Venues, Revenue and Expenditures related to Downtown Marina, Cannabis License Audits, Review of Major Revenues required by the Bankruptcy Agreement with Assured Guarantee.

Name of Public Agency	City of Desert Hot Springs
Contact Info	Mr. Geoffrey Buchheim, Finance Director gbuchheim@cityofdhs.org (760) 329-6411
Total Hours	700
Contract Price	\$75,000/year
Date of Services	2013 – Present
Scope of Work/Reports Prepared	Financial Audit and Compliance Services: Annual Comprehensive Financial Report Audit, GFOA Award, Single Audit, GANN Limit, Desert Hot Springs Successor Agency, Desert Hot Springs Financing Authority, Desert Hot Springs Health and Wellness Foundation, New Market Tax Credit Audit (Desert Hot Springs Health and Wellness Foundation), Annual State Controller's Reports, AUP/Transient Occupancy Tax, Utility User Tax, DHS Housing Audits.

Name of Public Agency	City of Gardena
Contact Info	Mr. Clint Osorio cosorio@ci.gardena.ca.us (310) 217-9503
Total Hours	700
Cost	\$75,000
Date of Services	2007 – Present
Scope of Work/Reports Prepared	Financial Audit and Compliance Services: Annual Comprehensive Financial Report Audit, GFOA Award, Single Audit, GANN Limit, Municipal Bus Line Enterprise Fund, Family Child Care Program, AUP – Cash Receipt, AUP – Wire Transfer Process.

City of Perris

Name of Public Agency	City of National City
Contact Info	Mr. Phillip Davis, Financial Analyst pdavis@nationalcityca.gov (619) 336-4246
Total Hours	600
Cost	\$70,000/year
Date of Services	2013 – Present
Scope of Work/Reports Prepared	Financial Audit and Compliance Services: Annual Comprehensive Audit, GFOA Award, Single Audit, GANN Limit, HUD Single Audit/Morgan Towers, Financial and Compliance Reports – Kimball Towers, Annual State Controller's Report

Name of Public Agency	San Diego Metropolitan Transit System
Contact Info	Ms. Erin Dunn, Controller (619) 557-4536 erin.dunn@sdmts.com
Total Hours	Approximately 1,850 hours
Date of Services	2005 – Present
Dollar Value Contract	\$225,000/year
Scope of Work/Reports Prepared	Financial Audit and Compliance Services: Annual Comprehensive Financial Report Audit, GFOA Award, San Diego Transit Corporation Employee's Retirement Plan, AUP/National Transit Database (NTD): MTS, San Diego Transit Corp., San Diego Trolley, Inc., AUP/Transportation Development Act (TDA): MTS, San Diego Transit Corp., San Diego Trolley, Inc., AUP/Indirect Costs, and Public Transportation Modernization Improvement Service Enhancement Account (PTMISEA).

Firm's Experience Providing Similar Services

The Pun Group LLP has performed numerous audits of organizations subject to financial and compliance audits. These audits were performed under auditing standards generally accepted in the United States, Government Auditing Standards, Uniform Guidance (formerly known as OMB Circular A-133), and its Compliance Supplement (when applicable), Office of the State Controller's Minimum Audit Requirements and Reporting Guidelines.

A representative list of our current clients is as follows:

Municipalities	Dates	Financial Audit	Single Audit	GFOA Certificate	Total Hours
City of Adelanto	2021 – Present	Yes	Yes	Yes	700
City of Alameda	2019 – Present	Accounting and Consulting Services			150
City of Arvin	2013 – Present	Yes	Yes	N/A	400
City of Bell	2018 – Present	Yes	Yes	Yes	520
City of Bradbury	2012 – Present	Yes	N/A	N/A	150
City of Calexico	2007 – Present	Yes	Yes	N/A	750
City of Clovis	2006 – Present	Yes	Yes	Yes	500
City of Coachella	2017 – Present	Yes	Yes	Yes	410
City of Cottonwood, AZ	2007 – Present	Yes	Yes	Yes	400
City of Corona	2021 – Present	Yes	Yes	Yes	640
Town of Corte Madera	2022 – Present	Yes	Yes	N/A	400
Town of Danville	1999 – Present	Yes	Yes	Yes	400
City of Douglas, AZ	2020 – Present	Yes	Yes	Yes	300
City of Desert Hot Springs	2013 – Present	Yes	N/A	N/A	700
City of Gardena	2007 – Present	Yes	Yes	Yes	700
City of Gilroy	2020 – Present	Yes	Yes	Yes	640
City of Glendora	2017 – Present	Yes	Yes	Yes	430
City of Gustine	2017 – Present	Yes	N/A	N/A	400
City of Hemet	2015 – Present	Yes	Yes	N/A	380
City of Hercules	2020 – Present	Yes	Yes	Yes	450
City of Lakewood	2013 – Present	Yes	Yes	Yes	380
City of Lomita	2020 – Present	Accounting and Consulting Services			150
City of Lodi	2018 – Present	Yes	Yes	Yes	760
City of Lynwood	2016 – Present	Yes	Yes	Yes	585
City of Madera	2019 – Present	Yes	Yes	Yes	470

City of Perris

Municipalities	Dates	Financial Audit	Single Audit	GFOA Certificate	Total Hours
City of Monterey	2016 – Present	Yes	Yes	Yes	620
City of Napa	2019 – Present	Yes	Yes	Yes	750
City of National City	2013 – Present	Yes	Yes	Yes	600
City of Palm Springs	2020 – Present	Yes	Yes	Yes	1,000
City of Patterson	2017 – Present	Yes	Yes	Yes	450
City of Perris	2019 – Present	Yes	Yes	Yes	840
City of Placentia	2016 – Present	Yes	Yes	Yes	620
City of Placerville	2008 – Present	Yes	Yes	N/A	400
City of Redding	2016 – Present	Yes	Yes	Yes	600
City of Redlands	2022 – Present	Yes	Yes	Yes	650
City of Ridgecrest	2009 – Present	Yes	Yes	Yes	300
City of Rohnert Park	2020 – Present	Yes	Yes	Yes	700
City of San Mateo	2021 – Present	Yes	Yes	Yes	900
City of Santa Clarita	2022 – Present	Yes	Yes	Yes	1,200
City of Seal Beach	2017 – Present	Yes	Yes	Yes	410
City of Shafter	2017 – Present	Yes	Yes	Yes	400
City of South Gate	2016 – Present	Yes	Yes	Yes	480
City of Stockton	2012 – Present	Yes	Yes	N/A	3,000
City of Tracy	2021 – Present	Yes	Yes	Yes	960
City of Visalia	2021 – Present	Yes	Yes	Yes	650
Imperial County Transportation Commission	2020 – Present	Yes	Yes	Yes	600
Nevada County Transportation Commission	2021 – Present	Compliance Services			450
San Diego Metropolitan Transit System	2005 – Present	Yes	Yes	Yes	1,850
Shasta Regional Transportation Agency	2015 – Present	Yes	N/A	N/A	400
Alameda County Water District	2018 – Present	Yes	Yes	N/A	550
Carmel Area Wastewater District	2022 – Present	Yes	Yes	N/A	150
CAWD/PBSCD Wastewater Reclamation Project	2022 – Present	Yes	N/A	N/A	150
Central Basin Water District	2018 – Present	Yes	Yes	N/A	400
Gold Coast Transit District	2020 – Present	Accounting and Consulting Services			Hourly
Las Virgenes Municipal Water District	2014 – Present	Yes	N/A	N/A	400

Municipalities	Dates	Financial Audit	Single Audit	GFOA Certificate	Total Hours
Los Angeles County Law Library	2020 – Present	Yes	N/A	N/A	180
Marina Coast Water District	2012 – Present	Yes	N/A	Yes	240
Menlo Park Fire Protection District	2015 – Present	Yes	Yes	Yes	240
NALEO Educational Fund and NALEO	2020 – Present	Yes	N/A	N/A	300
Olivenhain Municipal Water District	2019 – Present	Yes	Yes	Yes	200
Padre Dam Municipal Water District	2020 – Present	Yes	Yes	Yes	250
Rancho Murieta Community Services District	2019 – Present	Accounting and Consulting Services			800
Rancho Santa Fe Fire Protection District	2015 – Present	Yes	N/A	N/A	120
San Bernardino County Emergency Training Center	2020 – Present	Yes	N/A	N/A	50
San Bernardino County Preschool Services Department	2020 – Present	Yes	Yes	N/A	150
San Bernardino County Fire Protection District	2016 – Present	Yes	N/A	N/A	200
San Elijo Joint Powers Authority	2016 – Present	Yes	N/A	N/A	146
Santa Fe Irrigation District	2019 – Present	Yes	N/A	N/A	250
Sweetwater Authority	2022 – Present	Yes	Yes	Yes	270
South Bay Cities Council of Governments	2020 – Present	Yes	N/A	N/A	100
South Orange County Water Authority	2017 – Present	Yes	Yes	Yes	240
South Bay Regional Public Communications Authority	2015 – Present	Yes	N/A	N/A	100
Southwestern Community College District	2009 – Present	Yes	Yes	N/A	720
Valley Sanitary District	2015 – Present	Yes	N/A	Yes	140
West Valley Mosquito and Vector Control District	2016 – Present	Yes	N/A	N/A	100
Zone 7 Water Agency	2020 – Present	Yes	Yes	Yes	400

GFOA Award Program

The Pun Group LLP realizes the importance of maintaining the Certificate for Excellence in Financial Reporting from the GFOA. Our professionals are exceptionally well qualified in assisting governments in obtaining and maintaining their certificates.

The Firm's commitment and involvement in the development of auditing and accounting standards can be shown in our active participation in the GFOA's financial statements certificate programs. 100% of our current clients who submitted their Annual Comprehensive Financial Report to the GFOA received these awards.

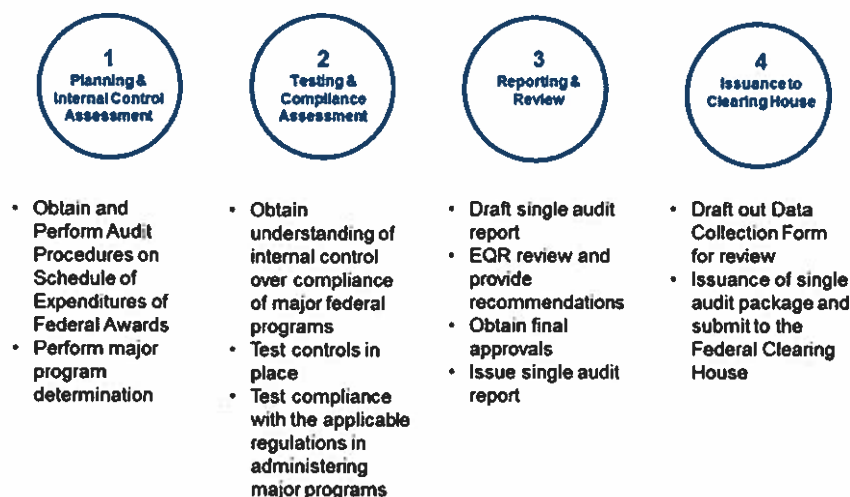
Also, two of our senior partners, Mr. Gary Caporicci and Mr. John F. Georger, are members of the Government Finance Officers Association and participate in the GFOA Special Review Committee.

Firm's Experience with Single Audit and Grants

The Pun Group LLP works with numerous organizations that receive extensive governmental funding and are subject to auditing under Uniform Grant Guidance. This Firm's specialization helps our audit team understand the procedures' nuances and execute the engagement accordingly. We also assist in preparing the data collection form and preparing the reporting package for submission to the federal audit clearinghouse.

The Firm is a member of the AICPA Governmental Audit Quality Center and has demonstrated our commitment to audit quality, including those performed under Government Auditing Standards and Uniform Guidance. Also, we are a recipient of the *Single Audit Resource Center's Award for Excellence*. This award is based on the positive feedback result from our clients in an independent survey, demonstrating our Firm's highest commitment to quality and client satisfaction.

We utilize standardized audit programs from the federal government's Compliance Supplement to ensure that our procedures meet the federal standards. Our audit programs are continually updated to reflect the revisions of OMB. Our Uniform Guidance risk-based approach focuses on areas of higher risk of noncompliance. Such an approach truly reflects the federal government's intent by concentrating on the following four steps:



Auditing under Uniform Guidance

- 1. Planning & Internal control assessment:** The engagement team will obtain an understanding of the City and its operating environment and its internal control over the Schedule of Expenditures of Federal Awards. The engagement team will perform the major program determination and communicate with the City's management before conducting major program testing.
- 2. Testing & compliance assessment:** The engagement team will obtain an understanding of internal control over compliance on the direct and material compliance requirements for each major program. The engagement will perform testing on internal controls over compliance to ensure the controls are in place working effectively and properly and that the City is in compliance with the applicable regulations in administering major programs.
- 3. Reporting & Review:** The engagement team will review and prepare the single audit reports and perform quality control procedures following the Quality Control Standards issued by the AICPA. Any comments will be issued to the management or the Charge with Governance, depending on the magnitude of the issues. Upon obtaining the final approvals from management, the Single Audit report will be issued.
- 4. Issuance to Clearing House:** The engagement team will assist the City in drafting out the data collection form and completing the final submission, including uploading the audit package to the Federal Clearing House.

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



- Corporation for National and Community Services
- Department of Agriculture
- Department of Education
- Department of Health and Human Services
- Department of Housing and Urban Development
- Department of Transportation
- Environmental Protection Agency
- Department of Commerce
- Department of Labor
- Department of Homeland Security
- Department of Justice
- Department of Treasury
- Executive Office of the President

Following are a few examples of the types of federal programs our engagement team has experience auditing:

	CFDA
Child and Adult Care Food Program	10.558
Community Development Block Grants/Entitlement Grants	14.218
Home Investment Partnership	14.239
Housing Vouchers Cluster	14.871
Title XVI Water Reclamation and Reuse Program	15.504
Equitable Sharing Program	16.922
WIA/WIOA Adult Program	17.258
WIA/WIOA Youth Activities	17.259
WIA/WIOA Dislocated Worker Formula Grants	17.278
Airport Improvement Program	20.106
Highway Planning and Construction	20.205
Federal Transit - Capital Investments Grants	20.500
Federal Transit - Formula Grants	20.507
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.808
Capitalization Grants for Clean Water State Revolving Funds Cluster	66.458
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045
Nutrition Services Incentive Program	93.053
Temporary Assistance for Needy Families (TANF) State Programs	93.558
Community Service Block Grant	93.569
Child Care and Development Block Grant	93.575
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596
ARRA - Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Programs	93.714
National Urban Search and Rescue (US&R) Response System	97.025
Homeland Security Grant Program	97.067

Firm's Current and Past Experience with Joint Powers Authorities and Public Utilities

Our Firm has provided professional services to several JPAs and Public Utilities. Below is a representative listing of such engagements:

- Adelanto Public Utility Authority
- Arbuckle Public Utility District
- Casitas Municipal Water District
- Central Basin Municipal Water District
- City of Monterey Joint Powers Financing Authority
- Coachella Valley Resource Conservation District
- Diablo Water District
- East Orange County Water District
- El Toro Water District
- Farm Mutual Water Company
- Las Virgenes Municipal Water District
- Las Virgenes – Triunfo Joint Powers Authority
- Los Angeles Waterkeeper
- Marina Coast Water District
- North County Dispatch Joint Powers Authority
- Olivenhain Municipal Water District
- Orange County Coastkeeper
- Palmdale Water District
- Perris Joint Powers Authority
- Riverside County Flood Control and Water Conservation District
- San Diego Coastkeeper
- San Bernardino County Fire District
- San Elijo Joint Powers Authority
- Santa Fe Irrigation District
- Sativa Los Angeles County Water District
- South Orange County Wastewater Authority
- Valley Sanitary District
- Water Replenishment District of Southern California
- West County Wastewater District

Our Professional's Experience with Pensions and Other Post-Employment Benefits

Members of our team have the experience of providing professional services to the following employee retirement systems:

- California Public Employees' Retirement System (CALPERS)
- Culver City Other Postemployment Benefit Plan
- Nevada Public Employees Retirement Systems
- Sacramento County Employees' Retirement System
- San Francisco Community College District
- San Diego County Employees Retirement Association
- San Diego City Employees' Retirement System
- San Diego Transit Corporation Employee's Retirement Plan
- San Jose Employee Retirement System
- University of California Pension Plans

In addition, our team draws years of expertise reviewing budget documents as well as various pension and other post-employment benefits ("OPEB") plan documents, including by not limited to trust agreements, pension and OPEB actuarial reports, GASB 68 and 75 reports, as well as GASB 75 reports prepared under *Alternative Measurement Methods*. A relevant list of plans includes:

- California Public Employees' Retirement System GASB 68 reports
- Public Agency Retirement System ("PARS") GASB 68 reports
- San Bernardino County Employees' Retirement Association ("SBCERA") GASB 68 reports
- PARS GASB 75 reports

Firm's Experience with State Controller's Reports

The Pun Group LLP has assisted numerous clients with the preparation of the required reports by the California State Controller's Office. Some of this experience follows:

Cities Financial Transactions Report:

- City of Arvin
- City of Bell
- City of Coachella
- City of Culver City
- City of Desert Hot Springs
- City of Hercules
- City of Placentia
- City of Laguna Niguel
- City of Lakewood
- City of Lynwood
- City of Monterey
- City of Morro Bay
- City of Napa
- City of National City
- City of Palm Springs
- **City of Perris**
- City of Rohnert Park
- City of South Gate
- City of Stockton

Annual Street Report:

- City of Desert Hot Springs
- City of Laguna Niguel
- City of Napa
- City of Palm Springs
- **City of Perris**
- City of Stockton

Special Districts Financial Transactions Report:

- Special District of West End Water Development Treatment and Conservation Joint Powers Authority
- Special District of West Valley Water District
- Special District of Coachella Financing Authority
- Special District of Coachella Sanitary District (Riverside)
- Special District of Coachella Water Authority
- Special District of Desert Hot Springs Public Financing Authority
- Special District of Desert Hot Springs Successor Agency
- Special District of Perris Public Utility Authority
- **Special District of Perris Public Financing Authority**
- **Special District of Perris Joint Powers Authority**
- Special District of Central Basin Municipal Water District
- Special District of Marina Coast Water District
- Special District of Menlo Park Fire Protection District
- Special District of San Bernardino County Fire Protection District

Transit Operators Financial Transactions Report:

- City of Arvin
- City of Culver City

Firm's Experience with Finance and Community Development Institutions

Our Firm has provided professional services to several Finance Authorities, as well as Community Development Agencies. Some examples are:

Finance Authorities:

- City of Bell Public Finance Authority
- City of Desert Hot Springs Financing Authority
- City of Hercules Public Financing Authority
- City of Lakewood Public Financing Authority
- City of Madera Financing Authority
- City of Palm Springs Public Financing Authority
- City of Patterson Financing Authority
- West Patterson Financing Authority
- **City of Perris Public Financing Authority**
- City of Pomona Public Financing Authority
- Town of Danville Financing Authority

Community Development Agencies:

- City of Lodi (Special Purpose Audits – Community Development Block Grant/Home Funds)
- Morgan Towers (Multi-Family Program), National City Community Development Commission
- National City Community Development Commission
- Perris Community Economic Development Corporation

Firm's Experience with Housing Authorities and Subsidized HUD Programs

The assigned engagement team will count on their experience with numerous financial and compliance audits as well as agreed-upon procedures to deliver the requested services. Our team has extensive experience with the following subsidized HUD programs:

- Housing Choice Voucher (HCV)
- Family Self Sufficiency (FSS)
- Shelter Plus Care (SPC)
- Housing Opportunities for Persons with AIDS (HOPWA)
- Veterans Affairs Supportive Housing (VASH)
- Community Development Block Grant (CDBG) – City of Lynwood
- HOME Investment Partnership Grant (HOME) – City of Lynwood

In addition, our Firm has provided professional services to several Housing Authorities. Some examples are:

- Callexico Housing Authority
- Culver City Housing Authority
- Douglas Housing Authority, AZ
- Encinitas Housing Authority
- Glendora Housing Authority
- Lakewood Successor Housing Authority
- National City Community Development Commission
- Napa Housing Authority
- Morgan Towers (Multi-Family Program), National City Community Development Commission
- Monterey Park Housing Authority
- **Perris Housing Authority**
- Pomona Housing Authority
- Poway Housing Authority
- Housing Authority of the Redding
- South Gate Housing Authority

Firm's Experience Providing Services to Nonprofit 501(c)(3) Organizations

The Pun Group LLP has provided professional services, including audit and tax services, to several organizations exempt from federal income tax under section 501(c)(3) of Title 26 of the United States Code. Some of these clients are:

- City of Rohnert Park Foundation
- National Association of Latino Elected and Appointed Officials (NALEO) and NALEO Educational Fund
- Family Health Center of San Diego
- Family Health Center of San Diego Community services, Inc.
- Family Health Center of San Diego Growth Fund, Inc.
- Redwood Coast Medical Centers
- Industry Convalescent Hospital (El Encanto Hospital)
- Anderson Valley Health Center
- **Perris Community Economic Development Corporation**
- Springboard NFP
- Desert Hot Springs Health and Wellness Foundation
- Orange county Coastkeeper
- Comite de Bien Estar, Inc.
- Border Financial Resources
- Medical Toxicology Foundation
- Arizona Hispanic Chamber of Commerce Foundation Corporation
- Love Care Kindness Foundation
- World Possible
- Helen's Closet.org

Firm's Experience with Tyler Technologies and Their Solutions

Our professionals are familiar with the City of Perris accounting practices and software. They have also become familiar with the technical aspects of the City's regulations and administrative practices. Our team will deploy such experience obtained servicing the City as well as other clients to hit the ground running with no downtime. Some examples of our clients who utilize Tyler Technologies are:

Client Name	Office	Industry
Madera, City of	Santa Ana	Local Government
Encinitas, City of	San Diego	Local Government
Rohnert Park, City of	Walnut Creek	Local Government
San Elijo JPA	San Diego	Special District
Shafter, City of	Santa Ana	Local Government
Lodi, City of	Walnut Creek	Local Government
Lakewood, City of	Orange County	Local Government
Culver City, City of	Orange County	Local Government
Perris, City of	Orange County	Local Government
Lynwood, City of	Orange County	Local Government
Gardena, City of	Orange County	Local Government
Monterey, City of	Orange County	Local Government
South Gate, City of	Orange County	Local Government
South Bay Regional Communications	Orange County	Local Government



Firm's Expertise and Experience in Governmental Accounting Rules and Regulations Including Implementation of new GASB Pronouncements

Changing federal laws, statutes, ordinances, and compliance provisions have created unprecedented complexity in public accounting today. Our GASB Implementation Specialist, Mr. Gary Caporicci, has helped our clients implement new standards while adapting to changes within the existing standards. Our partners serve on committees that have input into how new standards are written. They actively participate in industry associations focused on state and local governments. By participating in industry associations and activities, we are always up to date on the latest industry changes and their impact on your operations. We will keep you and our colleagues in the Firm fully informed of these developments.

Also, our professionals are familiar with the complexities of governmental accounting, auditing, and financial reporting, including but not limited to all GASB pronouncements, the Single Audit Act, Uniform Guidance (formerly known as OMB Circular A-133), and fund operations. They have held positions as professional certified public accountants and taken on significant roles within and outside government agencies. Such experience brings to our clients the thought leadership, quality, and level of expertise they require.

The Firm is well versed and experienced in assisting our clients with the implementation of the applicable GASB pronouncements every year, such as GASB 34, GASB 54, GASB 65, GASB 68, GASB 75, and GASB 84. Mr. Gary Caporicci, as a chair of the California Committee on Municipal Accounting "CCMA," wrote "white-papers" on each of these pronouncements.

Throughout the engagement, several new GASB pronouncements will become effective. The Engagement Team will pay specific attention to upcoming statements that will become effective and work with the City to create a plan to address new standards before the implementation period. This step will allow the finance department staff the needed time to be prepared.

Special Attention: GASB Pronouncements Effective for Reporting Year 2022

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements

The requirements of this Statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions.

Effective Date: for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

GASB Statement No. 96, Subscription-Based Information Technology Arrangements

The requirements of this Statement will improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition.

Effective Date: for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for IRC Section 457 Deferred Compensation Plans

The requirements that exempt governments from reporting defined contribution pension/OPEB plans in a fiduciary trust fund, unless the government actually controls the assets, are effective immediately. This limits the applicability of paragraph 7 of GASB 84 to defined benefit pension/OPEB plans that are administered through qualifying trusts.

(The requirements of this statement that are related to the financial accounting and reporting for IRC Section 457 plans are effective for reporting the year 2022)

GASB Statement No. 98, The Annual Comprehensive Financial Report

This Statement establishes the term annual comprehensive financial report and its acronym ACFR.

Effective Date: for fiscal years ending after December 15, 2021, and all reporting periods thereafter.

Specific Audit Approach

Scope of Work, Audit Approach, and Methodology

The City of Perris is requesting the Firm to perform Professional Audit Services and issue opinions on the City's financial statements. The audits are to be completed in accordance with all applicable and generally accepted auditing standards, including, but not limited to, the following:

- Generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants (AICPA).
- US General Accounting Office's (GAO) Standard for Audit of Governmental Organizations, Programs, Activities, and Functions.
- Local Governments and Governmental Accounting Standards Board (GASB) Pronouncements.
- The standards applicable to financial audits contained in the most current version of the Generally Accepted *Government Auditing Standards* (Yellow Book), issued by the Comptroller General of the United States.
- The provisions of the Single Audit Act as amended in 1996.
- The provisions of the US Office of Management and Budget (OMB) Uniform Guidance (formerly known as Circular A-133), Audits of State and Local Governments and Non-profit Organizations, and the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

The Firm will perform the following services:

- ✓ Financial Statement Audits and issuance of an opinion statement on the **Annual Comprehensive Financial Report** of the City of Perris. The audit will be conducted in accordance with *Generally Accepted Government Auditing Standards*. The report will be in full compliance with all current GASB pronouncements.
The Firm will assist in meeting the requirements for the Government Finance Officers Association (GFOA) "**Certificate of Achievement for Excellence in Financial Reporting.**"
- ✓ If needed, prepare a **Single Audit Report** which will include the following:
 - Report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
 - Report on compliance with requirements applicable to each major program, internal control over compliance, and on the schedule of expenditures of federal awards in accordance with Uniform Guidance, "Audits of State and Local Governments," and the Single Audit Act of 1984 (Public Law 98-502).
 - Schedule of Expenditures of Federal Awards.
 - Notes to Schedule of Expenditures of Federal Awards.
 - Schedule of Findings and Questioned Costs.
 - Any other required schedules or reports.
 - Prepare the Data Collection Form for Reporting on Audits of States, Local Governments, and Non-Profit Organizations.
- ✓ Perform the audit and issue an opinion on the **Perris Community Economic Development Corporation** Financial Statements.
- ✓ Perform the audit and issue an opinion on the **Perris Housing Authority** Financial Statements.
- ✓ Perform the audit and issue an opinion on the **Perris Joint Powers Authority** Financial Statements.
- ✓ Perform the audit and issue an opinion on the **Perris Public Utility Authority** Financial Statements.
- ✓ Perform the audit and issue an opinion on the **Perris Public Financing Authority** Financial Statements.
- ✓ Communicate in a letter to the City Council any reportable conditions found during the audit. A reportable condition will be defined as a material weakness or significant deficiency.
- ✓ Issue a separate "**Management Letter**" that includes recommendations for improvements on internal control, accounting procedures, and other significant observations that are considered to be no reportable conditions.

City of Perris

- ✓ **Test compliance with Proposition 111, Article XIII.B – Review of Appropriation Limit Calculations (GANN).**
- ✓ **Prepare and submit the California State Controller Cities Financial Transactions Report, and Special Districts Financial Transactions Report** for the Perris Joint Powers Authority, Perris Public Financing Authority and the Perris Public Utility Authority.
- ✓ **Prepare the Federal Return of Organization Exempt from Income Tax (Form 990) and California Exempt Organization Annual Information Return (Form 199) of the Perris Community Economic Development Corporation (CEDC), which is a 501(c)3 exempt organization.**

Provided By Client (PBC) Lists: They will be provided for both interim and final audits according to an agreed-upon timeline between the engagement team and the City in order to be reasonably prepared for a field audit. The engagement team will meet with the City's management during the initial planning stage to discuss audit schedules and review prior year audit findings (if any). We will deliver a list of all documents to be provided by the City's staff. Once such materials are agreed upon by the engagement team and City's finance personnel, no other schedules will be requested unless new information comes to light in the course of test work.

Attendance at Meetings and Hearings: The engagement team will participate in as many meetings with staff as needed to perform the work scope tasks, present the audit plan prior to beginning fieldwork, and discuss the draft audit reports. The team will attend public meetings to present and discuss its findings and recommendations. Once all issues of discussion are resolved, the completed Financial Reports, Single Audit report (if applicable), and other reports will be delivered to the City according to the agreed-upon schedule.

Proposed Audit Adjustments: All proposed adjusting journal entries by the Firm will be discussed and explained in a timely manner with the designated Finance Department personnel. Such proposed adjustments will be in a format that shows the lowest level of posting detail needed for data entry in the general ledger systems.

Supplemental Reports, Audits, or Agreed-Upon Procedures: Other services, such as agreed-upon procedures, may be deemed necessary. These services will be performed at agreed-upon rates and will be added in a written agreement before commencing audit work. The Firm and the City of Perris will discuss and approve the scope and associated costs of these tasks.

Advice and Consultation: Will be provided throughout the year on matters relating to accounting and financial reporting. Such services do not include any task that entails significant research or a formal report.

GASB Implementation: The Firm will provide technical assistance and training in the implementation of applicable GASB pronouncements not yet in effect. We have a dedicated partner, Mr. Gary Caporicci, who will be responsible for providing advice and consultation for the implementation of these new standards. The Firm will advise the City on the applicability of accounting and reporting standards and other accounting issues and provide guidance on new note disclosures, GASB implementations, and other reporting requirements. We will also provide training, resources, and information on topics relevant to the City's financial reporting and operations. *(Based on the scope, additional charges may apply.)*

Report of all Irregularities and Illegal Acts: The Firm will make an immediate written report of all irregularities and illegal acts or indications of illegal actions of which we may become aware. The engagement team will also make all communications to the City required by the audit standards under which the engagement is performed.

Working Paper Retention and Access to Working Papers: The Firm will retain, at its own expense, all working papers and reports for a minimum of five (5) years, unless the City of Perris notifies the Firm in writing of the need to extend the retention period. The Firm will make working papers available, upon request by the City of Perris.

Also, we will comply with reasonable requests from successor auditors and allow them to review working papers that relate to matters of continuing accounting significance.

Methodology and Segmentation of Engagement

The Firm's audit approach consists of six phases: Engagement Acceptance and General Planning, Planning and Internal Control Evaluation, Fieldwork, Post Fieldwork, Report Preparation and Review, and Final Production.



Benefits

- Client tailored approach emphasizing careful planning, open communication, proper assignment of responsibilities
- An efficient and effective audit, so disruption to office operations is kept to a minimum
- Offer beneficial observations and recommendation about policies and procedures for accounting and operating controls
- Opportunities to make operations more efficient and reduce costs
- Provide advisory services so recommendations can be implemented
- Meet objectives at no additional cost

- 1. Engagement Acceptance and General Planning:** The engagement partner and manager will meet with City's management to obtain an update on current City policies and procedures, help identify risk areas and new operations, and establish any specific requirements they may have. Our team will work on the identification of unique transactions, implementation of new GASB pronouncements, and develop the audit work plan for the engagement. **Proposed timeline:** *June of each fiscal year.*
- 2. Planning and Internal Control Evaluation:** The engagement team, including the engagement partner, will assess accounting policies adopted by the City in order to obtain an understanding of its structure and its operating environment. Also, our team will review internal controls on all significant transaction classes, perform walkthroughs and/or tests of internal controls, perform preliminary analytical procedures, develop initial risk assessment, evaluate Single Audit compliance, identify any audit issues, and prepare confirmation correspondence. The engagement team and City's Management will establish expectations, including responsibilities and assignments for the year-end fieldwork, and will hold a progress status meeting at the end of the interim phase. **Proposed timeline:** *June/July of each fiscal year.*
- 3. Fieldwork:** The engagement team, including the engagement partner, will conduct audit procedures on account balances in the general ledger, finish confirmation procedures, perform data analysis using our AI tools, search for unrecorded liabilities, perform substantial analytical review procedures, complete work on compliance with Federal Assistance, and conclude fieldwork. The engagement team and City's Management will hold an exit conference at year-end. Periodic update meetings will be held to communicate audit progress to management. **Proposed timeline:** *September/October of each fiscal year.*
- 4. Post Fieldwork:** During the phase, the engagement team, including the engagement partner, will review all documents and evaluate commitments and contingencies. The team will perform an assessment of the going concern and jointly plan for the next steps. **Proposed timeline:** *immediately upon fieldwork completion. (For the 2021/22 audit, completion is scheduled for October 28th)*
- 5. Report Preparation and Review:** The Firm will review and prepare audit reports and perform quality control procedures following the Quality Control Standards issued by the AICPA. We will also examine reports for compliance with GFOA reporting guidelines at no additional cost. Any comments will be recorded in a letter to management. At the City's request, the engagement partner and manager will present the audit to City's Management and other governing bodies. **Proposed timeline:** *Drafts by mid- November of each fiscal year.*
- 6. Final Production:** The final phase of our approach entails obtaining the management representation letter and final financial statement report, which may include a final presentation to the City's Management and other governing bodies (if applicable). **Proposed timeline:** *by mid-December of each fiscal year. (25 bound copies of the ACFR will be provided before December 15th)*

The Firm will complete the audit fieldwork and issue all reports within the established timeframe, assuming no internal circumstances within the City causes delays in the audit.

Level of Staff and Number of Hours to be Assigned to Each Segment of the Engagement

The Pun Group LLP understands that the City is not only looking to employ our auditing services but is also seeking to receive value within that professional relationship. We believe that our value derives from the in-depth knowledge, experience, and commitment that our auditing firm employs. We stress and emphasize “employ” because all of the knowledge and expertise listed on paper will not benefit you unless it is applied. That is why we have developed a plan that we feel will accomplish the objectives of the City and your particular needs. Our Firm will utilize the information that you have shared with us and our experience from our previous audits of this nature from various government entities and cities to develop a practical plan for all major areas.

Estimated Total Hours*:

	Partner(s)	Manager(s)	Senior(s)	Staff	Clerical	Total
Engagement Acceptance & General Planning	2	4	10	17	0	34
Planning & Internal Control Evaluation	4	6	14	26	1	50
Fieldwork	18	30	72	129	3	252
Post Fieldwork	12	20	48	86	2	168
Report Preparation & Review	18	30	72	129	3	252
Final Production	6	10	24	43	1	84
Total*	60	100	240	430	10	840

*Does not include CPE hours related to Governmental Webinars and/or optional services.

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

In our audit approach, random and statistical sampling is used in conjunction with our skilled judgment and knowledge of each situation. When designing an audit sample, our auditors consider the purpose of the audit procedure and the characteristics of the population from which the sample will be drawn. We determine a sample size sufficient to reduce sampling risk to an acceptably low level and select items for such a task in a way that we can reasonably expect it to be representative of the relevant sample and likely to provide the auditor with a reasonable basis for conclusions about the population.

Enhancing Auditing Quality with Artificial Intelligence

There are plenty of challenges with established audit practices. Outdated CAAT tools, sampling practices, and the explosive growth of big data are some of the examples, and they all present significant barriers to detecting anomalies, intentional or otherwise, in financial data. The Pun Group deploys a comprehensive, risk-based approach, complemented by using MindBridge™’s Artificial Intelligence Platform, to conduct our audit. Through this tool, we can seamlessly analyze thousands and thousands of financial and operating data and records, **identifying and cataloging significant risks in mere seconds.**



The *AI Auditor* platform works by our side, augmenting our capacity to detect errors or fraud in the collected data not only by analyzing the entire set but by cross-correlating dozens of testing criteria against pre-established data points, and presenting us with a view of every user, vendor, and transaction, by risk. All are happening within moments of ingesting analyzed data, which is something standard audit procedures simply cannot accomplish.

We utilize these tools to allow our audit team to increase efficiency in the audit process, to enhance the existing quality of our work, to provide directed testing in areas subject to the highest risk, and to quickly assimilate large amounts of data your staff would typically be asked to gather. The tools also help us to meet our professional requirements regarding fraud and internal control, allowing us to:

- ✓ Run Benford's analysis to check for fraud in transactions.
- ✓ Increase the value of audit findings with complete, 100% data coverage.
- ✓ Isolate risk and control issues before they impact your operations.
- ✓ Improve productivity by automating procedures and eliminating manual tasks.
- ✓ Conduct more direct, efficient, and effective audits to improve overall service quality.

Our engagement team easily imports data in a secure environment from the City's financial software and extracts useful data for testing and analytical procedures particular to the following areas:

- Successful Fraud Test
- Questionable Invoices
- Phantom Vendor Schemes
- Kickback or Conflict-of-Interest Schemes
- Dormant Account Schemes
- Money Laundering Schemes

Type and Extent of Analytical Procedures to be used In the Engagement

Analytical procedures are one of many financial audit processes that help an auditor understand the client's operation and changes in the environment and identify potential risk areas to plan other audit procedures. Such procedures include a comparison of financial information on prior periods, budget, forecast, and industry benchmark. We use trend and ratio analysis to identify any uncertain or unusual events. To perform these analyses, our Firm surveys cities and counties and develops benchmarks on specific vital financial indicators, such as the cost of services to tax revenues ratios, average general fund balance, capital assets, debt-to-capital, general fund unassigned fund balance to total general fund expenditures, etc. Our engagement members have extensive experience in successfully implanting analytical procedures to the City's benefit.

Our analytical procedures process is performed during three stages of audit: (a) at the start, (b) in the middle, and (c) at the end. These three stages are risk assessment procedures, substantive analytical procedures, and final analytical procedures:

- **Risk assessment procedures** are used to assist the auditor in understanding the business better and to plan the nature, timing, and extent of audit procedures.
- **Substantive analytical procedures** are used to obtain evidential matters about particular assertions related to the account balances or classes of transactions. During the interim phase, our engagement team will set up expectations for the year-to-date results and balances and compare them with budgeted and prior-year amounts. This process allows us to forecast year-end amounts, reducing the workload during the year-end phase and allowing us to focus on areas of concern.
- **Final analytical procedures** are used as an overall review of the financial information in the last review stage of the audit. The Engagement Partner(s) and Manager(s) will perform a high-level analytical analysis of the financial information, comparing its data both quantitatively and qualitatively to ensure the amounts are fairly presented in all material respect in the financial statements.

Approach to be Taken to Gain and Document an Understanding of the Internal Control Structure

Audit risk assessment is established by an internal control review, combined with the engagement team's understanding of the City's operations and accounting software. Using the Committee of Sponsoring Organizations (COSO) Framework, staff members will evaluate the City's processes and identify any control deficiencies. These diagnostic review procedures allow the engagement team to assess the City's systems and controls and to provide constructive feedback to management.

During our initial planning phase of the audit, our engagement team, including the engagement Partner and Manager, will obtain an understanding of the entity and its environment. It is an essential aspect of performing an audit under generally accepted auditing standards. That understanding establishes a frame of reference within which the auditor plans the procedures and exercises professional judgment about assessing risks of material misstatement of the financial statements and responding to those risks throughout the examination.

During the interim phase of the audit, our engagement team will perform a walkthrough of all significant accounting systems, including processes for financial reporting, revenue recognition and cash receipts, purchasing/contract management and cash disbursements, payroll, and related liabilities, and others. Our auditors will obtain the written policies and procedures, inquiring accounting personnel, and document the process in either a flowchart or narrative summary format. After gaining an understanding of the accounting and internal control systems, our auditor will make a preliminary assessment of control risk, at the assertion level, for each material account balance or class of transactions.

The form and extent of this documentation are influenced by the size and complexity of the entity and the nature of its accounting and internal control systems. Generally, the more complex the entity's accounting and internal control systems and the more extensive the auditor's procedures, the broader our documentation will need to be.

Approach to be Taken In Determining Laws and Regulations that Will be Subject to Audit Test Work

The Firm stays continually up to date with audit requirements—including new regulations, compliance supplements, state guidelines, and related contracts—to ensure that we conduct audits under applicable laws and regulations. We test transactions for compliance with the Single Audit Act, California Government Code, GANN Appropriations Limit, provisions of applicable grant guidelines, requirements of local measures, and others.

For example, the Single Audit Act requires that we determine which grants to include in our audit and select transactions from those grants for detailed testing. While most items will be tested as part of the Interim phase, we cannot determine which grants will be selected for the Single Audit until the year-end/fieldwork stage of the audit.

Our compliance audits of cash, investments, debt covenants, and other areas will be performed following the California Government Code, which has many provisions and regulations covering investments.

Approach to be Taken in Drawing Audit Samples for Purposes of Tests of Compliance

To test compliance, we will follow the AICPA's Audit Sampling Considerations of Uniform Guidance Compliance Audits. We will select an appropriate sample size based on our professional judgment and knowledge. Any deviations from control and compliance requirements will be documented.

Audit Firm's Expectations of the Role and Participation of City's Staff in the Audit Process

The engagement team will meet with the City's management during the initial planning stage to discuss audit schedules and review prior year audit findings (if any). We will deliver a list of all documents to be provided by the City's staff. Once such materials are agreed upon by the engagement team and City's finance personnel, no other schedules will be requested unless new information comes to light in the course of test work.

Our goal is to cause the least amount of interruptions to the City's daily operations; therefore, to the extent possible, we will use information in the form available from the City's records.

We believe client/engagement team communication is vital to perform results satisfactorily. With that sentiment in mind, we will hold regular meetings with the City's management to determine the status of the audit as well as any items which will require special attention. **Open and frequent communication is critical.**

Objectives of Our Services

Our primary objective for the proposed audit is to examine the City's financial statements and express our opinion on the fairness of the presentation, following generally accepted accounting principles. Other objectives that will benefit the City include the following:

- To offer beneficial observations and recommendations about policies and procedures for accounting and operating controls
- To identify opportunities to make City operations more efficient and reduce costs
- To perform the audit efficiently and effectively; disruption to office operations is kept to a minimum
- To provide continuing advisory services so the City can implement recommendations
- To meet these objectives at no additional cost to the City

The Engagement Team will perform the audit abiding by the Firm's quality-control procedures, which include following standard audit programs, careful planning, using industry-standardized software for auditing and internal control documentation, and welcoming an objective review of audit work. In other words, our client-tailored approach emphasizes careful planning, open communication, and proper assignment of responsibilities.

The Firm will supply portable computers to the on-site staff members.

How COVID-19 May Affect the City's Financial Reporting?

The coronavirus (COVID-19) outbreak has prompted global health concerns, and its ramifications will likely continue for some time. Our engagement team stands prepared and ready to help you understand how these events will affect the City's financial statements and reporting; for example:

Close up on Financial Reporting:

When preparing financial statements, the engagement team will consider whether this outbreak will have a material effect on the City:

- Fair value measurements of investments in a time of high market volatility,
- Financial assets, potential impairments and hedging strategies,
- Measurement and funded status of pension and other postretirement benefits (OPEB) plans,
- Liquidity and cash flow risks,
- Accounting estimates,
- Debt service payments.

Disclosure Requirements and Best Practices:

Also, under the US Generally Accepted Accounting Principles (GAAP), when reporting the effects of the COVID- 19 outbreak on financial statements, two types of subsequent events must be differentiated:

Recognized subsequent events. These events provide additional evidence about conditions, such as bankruptcy or pending litigation, that existed at the balance sheet date. The effects of these events generally need to be recorded directly in the financial statements.

Nonrecognized subsequent events. These provide evidence about conditions, such as a natural disaster that didn't exist on the balance sheet. Instead, they arose after that date but before the financial statements were issued (or available to be issued). Such events should be disclosed in the footnotes to prevent the financial statements from being misleading. Disclosures should include the nature of the event and an estimate of its financial effect (or disclosure that such an estimate can't be made).

Identification of Anticipated Potential Audit Problems

While we do not expect any problems with the audit, we will carefully investigate and monitor the following relevant accounting issues:

Investments:

- Compliance with GASB 31 and GASB 34
- Authorization and approval process for City investments
- Controls to assure City's compliance with investment limitations and types of specific investments
- Monitoring by the City of its investments

Financial Reporting:

- Compliance with current reporting and disclosure requirements issued by GASB
- Compliance with the various GASBs in effect
- Perform valuations of OPEB benefits to determine the liability for all benefits promised to active, retired, and inactive plan members as of each valuation date
- Compliance with Governmental Accounting Standards Board (GASB) Statements 74 and 75
- Compliance with infrastructure obligations and regulatory provisions

Internal Control Structure:

- City's internal control functions and compliance with proper internal control philosophies
- Computer-system processes and controls, and adequacy of the control environment

Special Audit Considerations for the Fiscal Years 2021/2022*:

- Grant Issues (FEMA, CARES)
- In many cases, governments may not know until they submit for reimbursement how much money they will receive. In those cases, governments should not record revenue until they are awarded a specific amount
- Governments should not report expenditures on the SEFA until the grant is awarded
- CARES funding may be subject to single audit requirements
- Government programs allowing deferral of customer payments (deferral of TOT payments, utility payments, and other lease holidays to help the community)
- In governmental fund types, this may impact the government's ability to record revenue because of the "measurable" and "available" criteria
- In proprietary fund types, this may impact the allowance for doubtful accounts estimates
- Internal controls during COVID – audit impact on possible circumvention of internal controls for emergency purchases or when individuals were not available to sign/approve activities
- Investment losses and credit risk
- Pension and OPEB plans – the impact of investment losses
- Is there an increased risk of litigation?
- Audit response to analytical variances – Set expectations for decreases in sales tax, hotel tax, fee-based revenues such as recreation, library or other community-based services, passenger facility charges, building permits, layoffs/furloughs, expanded senior and low/income program costs
- Going concern evaluations
- Subsequent events footnote disclosures of COVID
- Intermediate changes in the internal controls as a result of a remote workforce

We cannot speculate at this time on the contents of the auditor's reports. However, we expect to be able to discuss the tentative content of the auditor's reports well in advance of the issuance of such reports.

**Not all examples may be applicable to the City.*

Insurance Requirements and Proposer Guarantees


Insurance

If selected, the Firm will maintain the minimum insurance requirements during the entire execution of the agreement with the City of Perris. Within ten days from the implementation of the contract, we will furnish the City of Perris with satisfactory evidence of the insurance requirements and proof that each carrier is required to give at least 30 days prior written notice of the cancellation of any policy during the entire period of the agreement. The City of Perris will be named as an additional named insured under the Firm's policies.

APPENDIX B

PROPOSER GUARANTEES AND PROPOSER WARRANTIES

- A. The proposer certifies it can and will provide and make available, at a minimum, all services in this request for proposal.
- B. Proposer warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof.
- C. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of the City of Perris.
- D. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official: 

Name (typed): Kenneth H. Pun, CPA, CGMA

Title: Managing Partner

Firm: The Pun Group LLP

Date: 4/15/2022

Let's Get to Work!

Benefits of Choosing The Pun Group LLP

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

We trust that this proposal has given you the information needed about the Firm, the engagement team members, the overall audit approach, cost-saving measures, and audit fees. We are committed to exceeding your expectations, and we look forward to continuing to bring our experience and expertise to the City of Perris while providing you with the excellent level of service that you expect and deserve.

Thank You

Thank you for allowing us to submit our qualifications to continue providing you with Professional Audit Services. Please direct inquiries to:

Frances J. Kuo, CPA, CGMA
Partner
Email: ken.pun@pungroup.com
Phone: (949) 777-8805 | Fax: (949) 777-8850

Sincerely,



The Pun Group LLP
Certified Public Accountants and Business Advisors

Appendix A - Certificate of Insurance



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
3/1/2022

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

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

PRODUCER Wood Gutmann & Bogart 15901 Red Hill Ave., Suite 100 Tustin CA 92780		CONTACT NAME: Sarah Caballero PHONE (A/C No, Ext): 714-824-8300 FAX (A/C No): 714-573-1770 E-MAIL ADDRESS: scaballero@wgblb.com	
INSURED The Pun Group, LLP 200 East Sandpointe Avenue, Suite 600 Santa Ana CA 92707		INSURER(S) AFFORDING COVERAGE INSURER A : Great Divide Insurance Company INSURER B : Travelers Property Casualty INSURER C : Valley Forge Insurance Co. INSURER D : National Fire Ins Co. INSURER E : INSURER F :	NAIC # 25674 20508

COVERAGES **CERTIFICATE NUMBER:** 1036560047 **REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL SUBR (USD, WVD)	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
C	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> SO deductible GEN'L AGGREGATE LIMIT APPLIES PER <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER	Y	7013134445	3/1/2022	3/1/2023	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - COMPROP AGG \$ 4,000,000 \$
D	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS		7013117845	3/1/2022	3/1/2023	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	UMBRELLA LIAB EXCESS LIAB OCCUR CLAIMS-MADE DED RETENTION \$		7013138458	3/1/2022	3/1/2023	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000 \$
D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NJ) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N/A	7013134493 7013138288	3/1/2022 3/1/2022	3/1/2023 3/1/2023	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER No Deductible E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A	E&O R#10 12/29/11		CAB20236902	3/1/2022	3/1/2023	3,000,000 egg 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 Great Divide Insurance Company AM Best Rating A+ XV

Certificate holder(s) is/are named as additional Insured per attached endorsements subject to the terms & conditions of the policy
 General Liability Additional Insured & Waiver of Subrogation # SB146932G
 General Liability Primary & Contributory #CNAB0103XX
 Umbrella Policy follows form for General Liability, Auto Liability and Employers Liability
 Auto Primary and Non-Contributory & Waiver of Subrogation #CA00011013
 Auto Designated Insured #IL 02 70 07 20
 See Attached...

CERTIFICATE HOLDER City of Perris Attn: Mr. Ron Carr, Interim Director of Finance 101 North D Street Perris CA 92570	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
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Appendix B – Business License

CITY OF PERRIS			2021
BUSINESS LICENSE CERTIFICATE			
<i>"For Services Provided in the City of Perris, California Only"</i>			
Business Name	THE PUN GROUP, LLP	Business Type	Accounting - Bookkeeping
Business Location	200 Sandpointe Ave # 600 Santa Ana, Ca 92707-5744	Description	PROVIDING ACCOUNTING SERVICES TO THE CITY OF
Business Owner(s)	KENNETH H. PUN	Certificate Number	08604587
		Effective Date	July 01, 2021
		Expiration Date	June 30, 2022
THE PUN GROUP, LLP 200 SANDPOINTE AVE # 600 SANTA ANA, CA 92707-5744		For all inquiries regarding this license, contact HdL Business License Division at (951) 404-0586.	
THIS BUSINESS LICENSE DOES NOT PERMIT A BUSINESS THAT IS OTHERWISE PROHIBITED.			

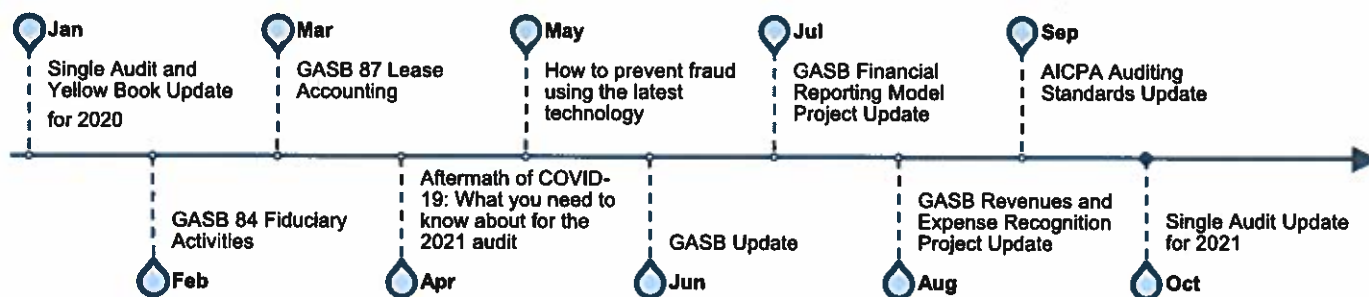
Appendix C – Available Training

Client Training Webinars

We pride ourselves in leading the governmental auditing profession nationwide and statewide. Members of our team have been assigned to the AICPA and State Government Accounting and Audit committees. Our membership with these two levels of government keeps us current, and such involvement helps our Firm with the constant changes in accounting and auditing standards, laws and regulations, and compliance provisions, which have created an unprecedented complexity in public accounting for state and local governments.

Every year, the Firm hosts a conference to update governmental clients on new technical accounting and financial issues. Since last year, by implementing “Webinars,” we’re expanding our horizons and offering our clients 15 hours of Continuing Professional Education (CPE). These sessions are **free of charge** and part of the service package provided to our clients.

Our 2021 *Virtual Governmental Accounting Webinars* presented the following topics:



So far in 2022, we have presented the following topics:

- February 2nd: Pun Group and LeaseQuery: An Introduction to GASB 87

Additional topics and dates for the 2022 *Virtual Government Accounting Webinars* will be released in April 2022.



ORANGE COUNTY ■ SAN DIEGO ■ BAY AREA ■ LAS VEGAS ■ PHOENIX

www.pungroup.com

CITY OF PERRIS

Submitted By:

Frances J. Kuo, CPA, CGMA

Partner

200 East Sandpointe Ave, Suite 600

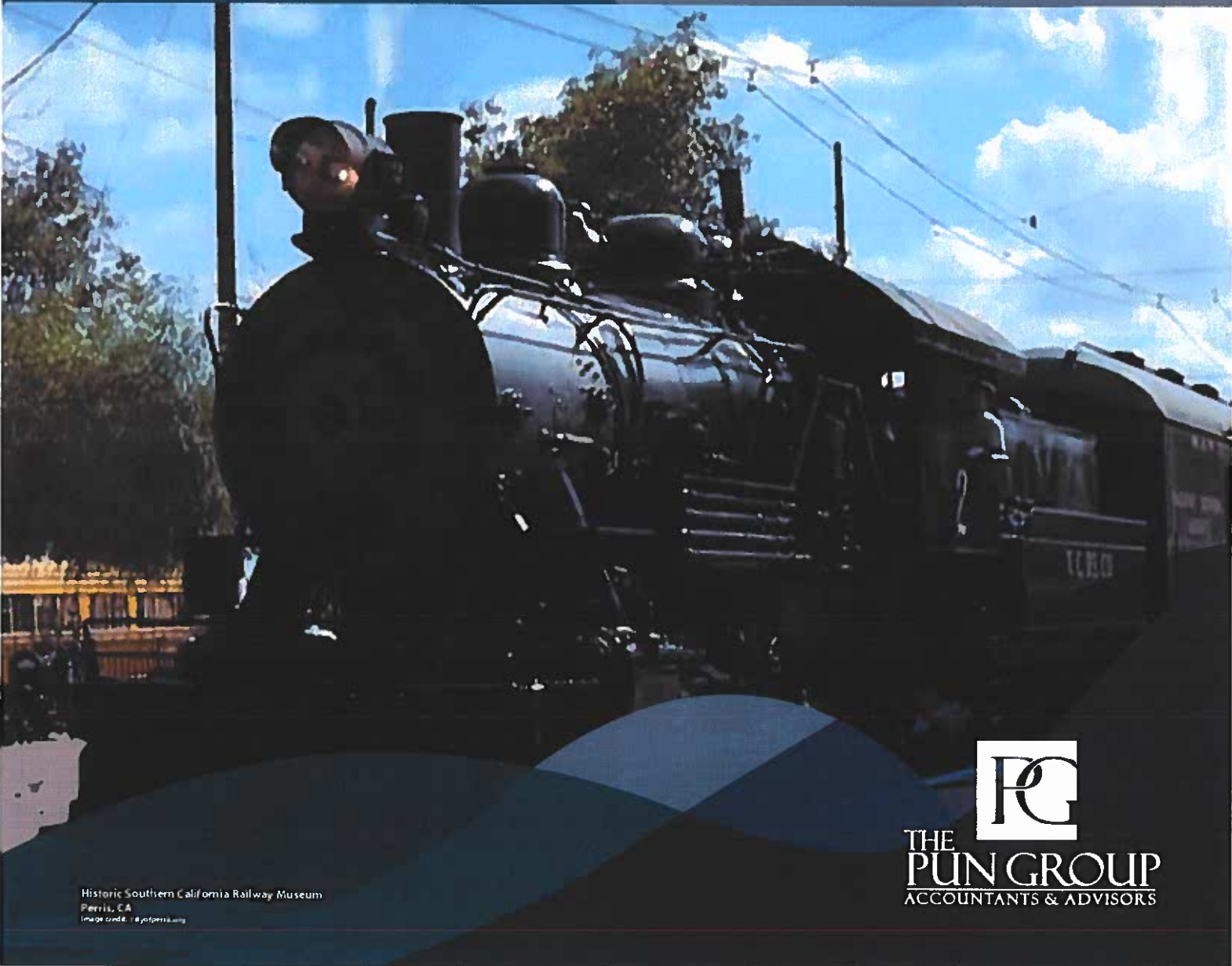
Santa Ana, CA 92707

(949) 777-8805 | frances.kuo@pungroup.com

COST PROPOSAL

Professional Auditing Services

April 15, 2022



Historic Southern California Railway Museum
Perris, CA
Image credit: @cityofperris.org





WHY CHOOSE THE PUN GROUP LLP?

Kenneth H. Pun, CPA, CGMA
Founder & Managing Partner

“ The Pun Group’s most valuable asset is our people, they and their deep experience drive our every interaction with clients. ”

- Big firm expertise, small firm values
- Personal attention meets technical expertise
- A unique firm culture
- Innovation embraced
- Achievable plans to move your organization forward

The Pun Group LLP is recognized for its professionalism, integrity, and providing clients with practical solutions unique to their circumstances and issues. You will receive a superior level of service and a quality audit.

Thank You!

Thank you for allowing us to submit our qualifications to provide you with Professional Audit Services.

The Pun Group, LLP

The Pun Group LLP
Certified Public Accountants and Business Advisors

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The Pun Group Wins 2022 “Best of Accounting” Award



The Pun Group is proud to have won 2022’s Best of Accounting® award from ClearlyRated. ClearlyRated recognizes the best in staffing, accounting, and other professional services by recording Net Promoter Scores® (NPS) and reviews to measure client satisfaction.

This award is unique in the U.S. and Canada because it is the only accolade that relies solely on ratings submitted from third-party validated survey responses. Firms that receive a ClearlyRated award are recognized as “leading their industry through their ongoing commitment to service excellence.” The Pun Group received a positive 88.9% NPS, reflecting an exceptionally loyal and satisfied audience.

“Winners of the 2022 Best of Accounting award for client satisfaction have demonstrated their commitment to delivering exceptional client service, even as Covid-19 has forced them to reimagine and rebuild their approach to business,” said ClearlyRated’s CEO and Founder, Eric Gregg.

Our firm excelled in five key areas: Responsiveness, Quality, Value, Needs Understanding, and Proactive Approach.

About ClearlyRated

Rooted in satisfaction research for professional service firms, ClearlyRated utilizes a Net Promoter® Score survey program to help professional service firms measure their service experience, build an online reputation, and differentiate on service quality.

“

“The Pun Group is not there to judge if a finance team is underperforming; they have the attitude to partner with the client to resolve issues and to streamline processes for the next audit.”

Roger R.

“

“We’ve been working with The Pun Group for years and they’ve always been responsive. Their fees are also much more reasonable than most.”

Graciela S.

“

“The firm’s responsiveness and technical knowledge during the audit. My staff likes having Suralink (client’s portal) whereby prepared by client schedules and requests for additional information can be easily uploaded.”

State & Local Client

“

“The Pun Group provides exceptional service on a consistent basis.”

David W.

Certification

Certification

We are committed to the performance of a high-quality audit at the most reasonable fee level possible, both initially and throughout the engagement. Also, our partners will provide advice and consultation as needed at no additional cost to the City of Perris.

Name of Firm: The Pun Group LLP – Certified Public Accountants and Business Advisors
Contact Name: Frances J. Kuo, CPA, CGMA
Contact Email Address: frances.kuo@pungroup.com

Authorization to Represent the Firm

I, the undersigned, certify I am duly authorized to represent The Pun Group LLP and am empowered to submit this bid. In addition, I certify I am authorized to contract with the City of Perris on behalf of the Firm.



Printed Name: Frances J. Kuo, CPA, CGMA
Title: Partner
Date: April 15, 2022

Total All-Inclusive Maximum Price

Our proposed fees ⁽¹⁾ ⁽²⁾ for Professional Audit Services for the fiscal years ending June 30, 2022, 2023, and 2024 with the option to extend for two (2) additional fiscal years, are as follows:

Services Provided	FY 2021/2022	FY 2022/2023	FY 2023/2024
City Audit and Related Reports	\$ 60,500	\$ 60,500	\$ 60,500
GANN Limit	500	500	500
Single Audit - 1 Major Program	4,000	4,000	4,000
Audit of Community Economic Development Corporation	3,750	3,750	3,750
Audit of Housing Authority	3,750	3,750	3,750
Audit of Joint Powers Authority	5,250	5,250	5,250
Audit of Public Utility Authority	6,250	6,250	6,250
Audit of Public Financing Authority	7,250	7,250	7,250
Preparation of the ACFR and Components Units F/S	1,500	1,500	1,500
State Controller's Report:			
City	3,500	3,500	3,500
Joint Powers Authority	750	750	750
Public Financing Authority	750	750	750
Public Utility Authority	750	750	750
Tax Services:			
Form 990 and Form 199 - CEDC 501 (c)3 Exempt	1,500	1,500	1,500
Total All-Inclusive Price	\$ 100,000	\$ 100,000	\$ 100,000

- (1) Single Audit fees based on up to one (1) major program. The fee for auditing additional major programs will be \$4,000 each. The number of programs determined to be "major" will be based on OMB Uniform Guidance. The Engagement Team will discuss this with the City of Perris's Management before starting Single Audit work.
- (2) Percentage of annual adjustment for the optional fiscal years (2024/25 and 2025/26): 3%/year

APPENDIX A
TOTAL ALL-INCLUSIVE FEES – FISCAL YEAR 2021/2022

	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Audit:				
Partner	60	\$ 275	\$ 275	\$ 16,500
Manager	100	\$ 200	\$ 200	\$ 20,000
Supervisory Staff	240	\$ 150	\$ 150	\$ 36,000
Staff	430	\$ 125	\$ 125	\$ 53,750
Clerical	10	\$ 75	\$ 75	\$ 750
		<i>Less: Professional Discount</i>		\$ (36,250)
Subtotal	840			\$ 90,750
Out-of-Pocket Expenses:				
Meals & lodging				Included
Transportation				Included
Other (Specify):				Included
Preparation of ACFR and Component Units Financial Statements				1,500
Preparation of Financial Transactions Report for the City and Special Districts				5,750
Agree-Upon procedures regarding Appropriation Limits				500
Preparation of Non-profit Tax Returns (Form 990 and Form 199) for CEDC				1,500
Total All-Inclusive Price (Fiscal Year 2021/2022)				\$ 100,000

APPENDIX A – cont'd
TOTAL ALL-INCLUSIVE FEES – FISCAL YEAR 2022/2023

	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Audit:				
Partner	60	\$ 275	\$ 275	\$ 16,500
Manager	100	\$ 200	\$ 200	\$ 20,000
Supervisory Staff	240	\$ 150	\$ 150	\$ 36,000
Staff	430	\$ 125	\$ 125	\$ 53,750
Clerical	10	\$ 75	\$ 75	\$ 750
		<i>Less: Professional Discount</i>		\$ (36,250)
Subtotal	840			\$ 90,750
Out-of-Pocket Expenses:				
Meals & lodging				Included
Transportation				Included
Other (Specify):				Included
Preparation of ACFR and Component Units Financial Statements				1,500
Preparation of Financial Transactions Report for the City and Special Districts				5,750
Agree-Upon procedures regarding Appropriation Limits				500
Preparation of Non-profit Tax Returns (Form 990 and Form 199) for CEDC				1,500
Total All-Inclusive Price (Fiscal Year 2022/2023)				\$ 100,000

APPENDIX A – cont'd
TOTAL ALL-INCLUSIVE FEES – FISCAL YEAR 2023/2024

	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Audit:				
Partner	60	\$ 275	\$ 275	\$ 16,500
Manager	100	\$ 200	\$ 200	\$ 20,000
Supervisory Staff	240	\$ 150	\$ 150	\$ 36,000
Staff	430	\$ 125	\$ 125	\$ 53,750
Clerical	10	\$ 75	\$ 75	\$ 750
		<i>Less: Professional Discount</i>		\$ (36,250)
Subtotal	840			\$ 90,750
Out-of-Pocket Expenses:				
Meals & lodging				Included
Transportation				Included
Other (Specify):				Included
Preparation of ACFR and Component Units Financial Statements				1,500
Preparation of Financial Transactions Report for the City and Special Districts				5,750
Agree-Upon procedures regarding Appropriation Limits				500
Preparation of Non-profit Tax Returns (Form 990 and Form 199) for CEDC				1,500
Total All-Inclusive Price (Fiscal Year 2023/2024)				\$ 100,000

TOTAL ALL-INCLUSIVE PRICE

SUMMARY OF ALL-INCLUSIVE FEES	
Fiscal Year 2021/2022	\$ 100,000
Fiscal Year 2022/2023	\$ 100,000
Fiscal Year 2023/2024	\$ 100,000
Grand Total	\$ 300,000

Rates for Additional Professional Services

Out of Pocket Expenses in the Total Maximum Price and Reimbursement Rates

The Firm's policy is to maintain flexible billing rates to meet the needs of clients and help them control costs. In the interest of continuing our long-term relationship, we will absorb expenses such as travel and printing costs. Additionally, our Partners will be available to provide advice and consultation as necessary to the City of Perris. The Firm will also absorb these costs.

Rates for Additional Professional Services

Below are the Firm's hourly billing rates, delineated by staffing levels:

Hourly Billing Rates	
Partner(s)	\$ 275
Manager(s)	\$ 200
Senior Accountant(s)	\$ 150
Staff Accountant(s)	\$ 125
Clerical	\$ 75


Any supplemental reports, audits, or agreed-upon procedures not covered by this proposal may be added in a written agreement prior to commencing audit work. The Firm and the City will discuss and approve the scope and associated costs of these tasks. Any additional work will be performed at the above-quoted hourly rates.

Manner of Payment

Manner of Payment

Engagement Team members are required to maintain timesheets detailing the date, number of hours, and work performed for every audit task. The Firm will collect these timesheets and bill the City of Perris, at the rates outlined in the Total All-Inclusive Maximum Price section, in four stages: (1) at the conclusion of the planning phase, (2) at the conclusion of the interim phase, (3) at the conclusion of the Year-End phase, (4) and after presentation and acceptance of the final audit reports. Interim billings will cover a period not less than a calendar month. The billing amounts generally break down as follows:

Work Performed	% of Proposal Amount
Planning	10%
Interim	40%
Fieldwork	40%
Presentation and Acceptance of Reports	10%



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ATTACHMENT 5

TECHNICAL AND COST PROPOSAL – EADIE PAYNE LLP



CITY OF PERRIS

PROPOSAL FOR AUDIT SERVICES

APRIL 15, 2022

PREPARED BY

EadiePayne
3880 Lemon St., Suite 300
Riverside, CA 92501

CONTACT PERSON

Eden C. Casareno
Office: 951.241.7805
Mobile: 909.809.7662
ecasareno@eadiepaynellp.com

expect quality

WWW.EADIEPAYNELLP.COM

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April 15, 2022

City of Perris
Attn: Ernie Reyna, Deputy City Manager
101 North "D" Street
Perris, CA 92570
ereyna@cityofperris.org

Dear Mr. Reyna,

EadiePayne is pleased to provide you with our proposal to perform audit services for the City of Perris (City) to audit the City's Annual Comprehensive Financial Report and the Financial Statements of the Component Units for the fiscal years ending June 30, 2022, 2023, and 2024. Our proposal includes the City's Single Audits and other services requested in the Request for Proposal (RFP) Section IV. Nature of Services Required. We are committed to perform these services within the time period specified in the RFP.

Why Choose EadiePayne?

Expect Quality: EP's work with other governmental entities was recognized by the State Controller's Office (SCO) in 2016 and we are driven to uphold the same level of quality that was recognized by the SCO through their quality review. Our specific audit approach has evolved through this experience, emphasizing a focus on internal control and communication to provide greater transparency for you and your stakeholders.

Local Firm: EP is based in downtown Riverside, CA, approximately 18 miles from the City's offices.

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

On-site Staff Training: EP is including in our proposal 20 hours of routine consulting and training to assist management and staff keep up to date on relevant accounting and compliance issues. The application of these hours will be co-developed with the City based on its needs, including any assistance needed with the implementation of new GASB statements.

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

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

We certify that this proposal is a firm and irrevocable offer for five (5) years. We appreciate the opportunity to share our credentials and look forward to working with you and your team.

Sincerely,



Eden C. Casareno
Partner-in-Charge of Attest
ecasareno@eadiepaynellp.com
(909) 809-7662



EadiePayne

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

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

Office: 951-241-7800
www.eadiepaynellp.com

INDEPENDENCE

EadiePayne meets the independence requirements as defined by auditing standards generally accepted in the United States of America and the U.S. General Accountability Office's *Government Auditing Standards* with respect to the City and all of its component units.

The firm has no previous professional relationships involving the City or any of its component units for the past five (5) years.

We agree to give the City written notice of any professional relationships entered into during the period of this agreement that could constitute a conflict of interest.

LICENSE TO PRACTICE IN CALIFORNIA

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



BOARD OF ACCOUNTANCY

LICENSING DETAILS FOR: 411

NAME: EADIE AND PAYNE LLP

LICENSE TYPE: CPA - PARTNERSHIPS

LICENSE STATUS: CLEAR

PREVIOUS NAMES: EADIE AND PAYNE

ADDRESS

3880 LEMON STREET STE 300
RIVERSIDE CA 92501
RIVERSIDE COUNTY

ISSUANCE DATE

APRIL 9, 1953

EXPIRATION DATE

APRIL 30, 2023

FIRM QUALIFICATIONS AND EXPERIENCE



EadiePayne, a limited liability partnership established in 1919, is a leading local public accounting and business advisory firm in Southern California offering attest, accounting, management consulting, and tax services. Our office is in Riverside, California, and our professional services team includes approximately 20 professionals. Our governmental audit team consists of 10 professionals.

The EadiePayne team for City of Perris will consist of the engagement partner, senior manager, supervisor, senior accountant and staff accountant, who will be assigned to your team on a full-time basis. In addition, as part of our commitment to quality, the engagement will be independently reviewed by a technical reviewer. An experienced IT specialist will conduct the assessment of your IT general controls. Both the technical reviewer and the IT specialist are employed on a part-time basis.

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

Recent Client Testimonials:

City of Oxnard: *"Standard & Poor's Global Ratings revised its outlook from "stable" to "positive" following a letter from Eadie and Payne that recognized the City's significant progress in addressing prior financial issues and rebuilding, recovering, and reconnecting with the community it serves. It's incredibly encouraging. We are very pleased."*

City of Compton: *"Your team has been a pleasure to work with. Thank you for your unfailing pragmatism, expertise, and joviality the entire way. Thank you all for a job well done!"*

City of Moreno Valley: *Our experience with your firm during our consulting agreement with respect to the Cal-Card Process Review was one of the most efficient, timely, and thorough reviews we have encountered. Your knowledgeable staff, prompt responses to our inquiries, and detailed requests kept the project on the original timelines which was valuable to our reporting needs.*

We sincerely appreciate the professionalism and feedback you and your team provided us. We look forward to working with EadiePayne in the future when the opportunity arises!

FIRM QUALIFICATIONS AND EXPERIENCE | Peer Review Letter

Our peer review letter dated July 24, 2019 expressed an opinion that the system for quality control for the auditing practice of EadiePayne met the objectives established by the AICPA. The quality control review included a review of specific governmental audit engagements performed under Government Auditing Standards and the Single Audit Act.



CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

111 E. Victoria Street 2nd Floor, Santa Barbara, CA 93101, (805) 962-9175, Fax: 1 (805) 880-0350, www.mcgowan.com

Report on the Firm's System of Quality Control

July 24, 2019

To the Partners of Eadie & Payne, LLP
and the Peer Review Committee of California Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Eadie & Payne, LLP (the firm) in effect for the year ended April 30, 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. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

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

Peer Reviewer's Responsibility

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

Required Selections and Considerations

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

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

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Eadie & Payne, LLP in effect for the year ended April 30, 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. Eadie & Payne, LLP has received a peer review rating of pass.



McGowan Guntermann

FIRM QUALIFICATIONS AND EXPERIENCE | State Controller's Report

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

In 2016 the quality of EadiePayne's audits was affirmed by the State Controller's Office. The State Controller's Office initiated a quality control review of our audit of City of Oxnard's financial statements. The review examined whether EadiePayne, as the City's auditor, performed the scope of work in compliance with applicable auditing standards. EadiePayne received a clean opinion from the State Controller's Office affirming the quality of our audits.



BETTY T. YEE
California State Controller

October 6, 2016

Eadie + Payne, LLP
Deborah Crowley, CPA, Partner
1839 West Redlands Boulevard
Redlands, CA 92373

Dear Ms. Crowley:

The State Controller's Office (SCO) completed a quality control review of Eadie + Payne, LLP. We reviewed the audit working papers for the firm's audit of the City of Oxnard for the fiscal year ended June 30, 2015.

The Eadie + Payne, LLP audit was performed in accordance with the standards and requirements set forth in *Government Auditing Standards*, issued by the Comptroller General of the United States, often referred to as generally accepted government auditing standards; auditing standards generally accepted in the United States of America; Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*; and the California Business and Professions Code.

If you have any questions, please contact Jim L. Spano, CPA, Chief, Financial Audits Bureau, at (916) 323-5849.

Sincerely,



JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

FIRM QUALIFICATIONS AND EXPERIENCE | Professional Affiliations



American Institute of CPAs - EadiePayne and the firm's team members are members of the American Institute of CPAs (AICPA). The AICPA develops standards for audits, provides educational guidance materials to its members, and monitors and enforces compliance with the profession's technical and ethical standards.



Government Audit Quality Center - EadiePayne is a member of the Government Audit Quality Center (GAQC). GAQC provides comprehensive resources that will assist us in further enhancing the quality of your governmental audit. The Center also provides resources to auditees through the Auditee Resource Center.



California Society of CPAs - All CPAs employed by EadiePayne are members of CaICPA and regularly participate in chapter meetings, education, and events.



CSMFO - The team members of EadiePayne are members of the California Society of Municipal Finance Officers (CSMFO), the statewide organization serving all California municipal finance professionals. Firm personnel regularly attend CSMFO Chapter Meetings and Conferences. The Partners of EadiePayne LLP have been presenters on accounting and auditing technical topics at Chapter Meetings and Conferences.



GFOA - The Government Finance Officers Association (GFOA) enhances and promotes the professional management of governmental financial resources by identifying, developing, and advancing fiscal strategies, policies, and practices for the public benefit.



**California Special
Districts Association**
Districts Stronger Together

California Special Districts Association - The team members of EadiePayne are members of the California Special Districts Association (CSDA), the statewide organization serving all California special district finance professionals and board members. The executives of EadiePayne LLP serve on several committees within CSDA and provide insight and assistance to members through CSDA online platform.

FIRM QUALIFICATIONS AND EXPERIENCE | List of Clients

Cities Served

City of Barstow | City of Compton | City of Eastvale | City of Huntington Park | City of Industry | City of Montebello | City of Moreno Valley | City of Riverside | City of Oxnard | City of Stockton

Water Entities Served

Big Bear Municipal Water District | Cedarpines Park Mutual Water Company | Fontana Union Water Company | Riverside Highland Water Company | Riverside Public Utilities | San Bernardino Valley Water Conservation District | San Gorgonio Pass Water Agency | Twentynine Palms Water District | West Valley Water District

Special Districts & Joint Powers of Authorities Served

County of San Bernardino Special Districts | Hesperia Recreation and Park District | Inland Empire Resource Conservation District | Inland Valley Development Agency | Law Library for San Bernardino County | Orange County Public Law Library | Riverside County Law Library | San Bernardino Public Safety Authority | San Bernardino Regional Emergency Training Center | Wrightwood Community Services District

Counties Served

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

Not-for-Profit Clients Served

Antioch Church of Long Beach | ARC School of Hope | Building a Generation | California Central Service Association | California Housing Foundation, Inc. | Friends of CID | Girl Scouts of San Gorgonio | Immanuel Baptist Church of Highland | Immanuel Baptist Church of Ridgecrest | Inland Counties Regional Center, Inc. | Inland Empire Electrical Training Center | Inland Empire Latino Lawyers Association, Inc. | Inland Empire NECA-IBEW Labor-Management Cooperation Committee | KVCR Educational Foundation | Legal Aid Society of San Bernardino | Lions Camp at Teresita Pines | Local Union 477 IBEW Southern Sierras Chapter Training Fund | National Electrical Contractors Association, Southern Sierras Chapter | Redlands Country Club | Rivers and Lands Conservancy | Santa Ana Watershed Association | SCPGA Foundation | Springboard CDFI | Technical Employment Training, Inc.



Audit and Assurance

- Financial statement audits
- Compliance audits
- Single Audit
- Internal audits
- Grant & program audits
- Agreed-upon procedures



Advisory

- COSO internal control studies
- Review of purchasing card process
- Risk assessment studies
- Review of cost allocation
- Assistance with Corrective Action Plan



Other Services

- Preparation of ACFR & basic financial statements
- Reconciliation of fund balances
- Payroll testing
- GASB 68 and 75 accounting and disclosure
- GASB 87 implementation
- Audit readiness

FIRM QUALIFICATIONS AND EXPERIENCE | Additional Professional Services

In addition to the tasks specified in the RFP's Scope of Work, we can provide a range of additional services. We have listed several below.

Information Technology Services

The accessibility and security of an organization's data is increasingly relevant in today's information technology driven world. Protecting the networks that house the confidential financial, personal, and health related data is no longer optional. As such, it's not surprising that governments and businesses are searching for ways to ensure their networks are secure. The EP Information Technology Services offerings help organizations mitigate risks to their critical data and systems through our proven approach to risk assessment and remediation.

IT Risk Assessment

At EP, our IT professionals take a personal approach by meeting with your team to understand how IT fits in your organization's strategy, then we work independently or side-by-side with your team to identify and evaluate information security risks that may have a significant impact on the reliability of your organization's data and the continuity of operations. We highlight the potential concerns and, if you wish, assist you with remediation measures. Our IT Risk Assessments help make your IT environment more secure.

Vulnerability Assessment

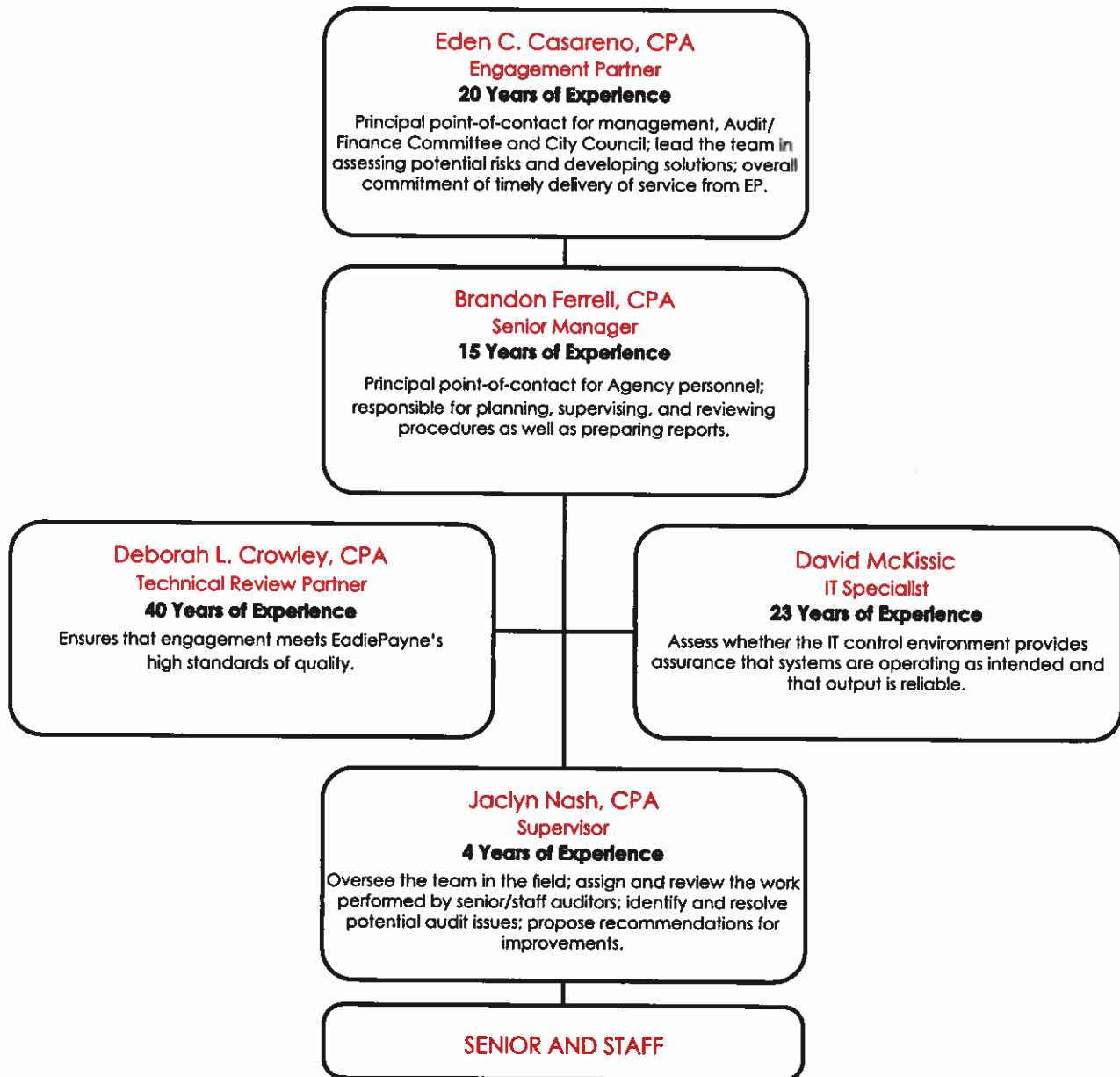
Taking the IT Risk Assessment one step further, the EP Professionals utilize specialized tools to scan your network, inside and out, to identify technical system weaknesses. This includes a systematic audit of available services, searching for known deficiencies in the network, operating systems, and application layers. We identify the vulnerabilities, share the details with our clients, and suggest specific corrective measures. Recommendations are prepared in a way that enables them to be interpreted and utilized by both the management and technical professionals on your team.

Additional services agreed to by the City shall be performed at the rates set forth in the schedule of fees in the cost proposal that follows.

PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

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

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





EDEN C. CASARENO, CPA

Engagement Partner

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

Ms. Casareno joined EadiePayne in 2002 and became a partner in 2009. Ms. Casareno ensures continual communication and high-quality execution, leveraging her 20 years of experience performing financial and compliance audits, assisting clients with complex governmental accounting and reporting requirements, evaluating internal control design and implementation, and developing solutions for government clients.

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

Ms. Casareno's governmental clients served include:

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

In addition, she leads the EadiePayne team in providing attest and consulting services to cities and municipalities, special districts, JPAs and former redevelopment agencies.

RECENT RELEVANT CPE:

AICPA Annual Update for Accountants and Auditors: 2021
 CCH 2021 GAAP, GAAS & SSARS Update: 2021
 CSMFO Annual Conference: 2021, 2020, 2019
 AICPA OMB Compliance Supplement and Covid-19 Audit Implications, 2021
 AICPA GAQC 2020 Compliance Supplement: 2020
 AICPA GAQC Update: 2020, 2019
 EP Audit & Accounting Matters Related to Covid-19: 2020
 EP GASB 87-Leases: 2020
 CCH Common Frauds in Governmental Entities: 2020
 CalCPA Government Auditing and Accounting Conference: 2020
 AICPA 2020 State and Local Government Audit Planning Considerations: 2020
 CSMFO Impact of Covid-19 on Financial Reporting and Single Audit: 2020

EDUCATION

BS Degree in Business Administration, emphasis in Accounting, University of California, Riverside
 Leadership Excellence Summit, Brainard Strategy Leadership Academy

PROFESSIONAL ORGANIZATIONS

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





BRANDON FERRELL, CPA

Senior Manager

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

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

Mr. Ferrell's governmental clients served include:

- Cedarpines Park Mutual Water Company
- City of Moreno Valley
- City of Oxnard
- City of Riverside
- City of Stockton
- County of Riverside
- Fontana Union Water Company
- Hesperia Recreation and Park District
- Inland Empire Latino Lawyers Association Inc
- Inland Empire Resource Conservation District
- Inland Valley Development Agency
- Law Library of San Bernardino County
- Legal Aid Society of San Bernardino, Inc.
- Riverside County Law Library
- Riverside Highland Water Company
- San Bernardino Regional Emergency Training Center
- San Bernardino County Special Districts
- San Gorgonio Pass Water Agency
- Twentynine Palms Water District
- Wrightwood Community Services District

As a senior manager, Mr. Ferrell will work closely with management to ensure that EadiePayne is being responsive to the reporting needs within the time frame developed by management. Additionally, Mr. Ferrell will perform top level review of project work.

RECENT RELEVANT CPE:

Calcpa The CARES Act: How it Impacts Government and Public Agencies: 2021

AICPA Preparing for your Single Audit: 2021

AICPA Compliance Supplement and Single Audit Update: 2021

EP New SAS, SSARS and SSAE: 2021

Calcpa Risk Assessment Compliance Standards: 2021

AICPA Government Audit Quality Center Update: 2021, 2020, 2019

AICPA CPA Best Practices For Working Remotely: 2020

Wolters Kluwer Government Accounting & Auditing Update: 2020

Wolters Kluwer Common Deficiencies: Audits Under Gov't Auditing Standards and the Single Audit Act: 2020

Wolters Kluwer Government Auditing Standards and Foundations: 2020

EP A&A Matters Related to Covid: 2020

CSMFO GASB Update -The Implementation Guides are here: 2020

CSMFO Lease Accounting, Part Deux: 2020

CSMFO One Day You'll Wake up and Have Material Weaknesses in Internal Control: 2020

CSMFO Read all About it: The Blue Book Has Been Updated: 2020

CSMFO SB 998-The Do's, The Don'ts, and The "It Depends:" 2020

EP GASB 87-Leases: 2020

EDUCATION

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

PROFESSIONAL ORGANIZATIONS

American Institute of Certified Public Accountants

California Society of Certified Public Accountants

National Society of Accountants for Cooperatives

- Program Committee

California Special Districts Association

- Fiscal Committee

- Audit Committee





DEBORAH L. CROWLEY, CPA

Technical Reviewer

Office: 951.241.7800 | Mobile: 909.557.0479 | dcrowley@eadiepaynellp.com

Ms. Crowley has over 40 years of experience auditing government agencies, not-for-profit organizations and for-profit entities. She performs the technical standards review for many of the Firm's audit engagements. As technical reviewer, Ms. Crowley will act as a second set of eyes to ensure that the engagement has been performed in accordance with *Government Auditing Standards*, AICPA's attestation standards, and firm policies.

In 2016 Ms. Crowley coordinated the Quality Control Review by the State Controller's Office (SCO) of EP's work papers for the City of Oxnard. The successful conclusion was that the audit was performed in accordance with the standards and requirements set forth in GAGAS, GAAS, OMB Circular A-133, and the California Business and Professions Code.

Ms. Crowley served as lead partner in providing agreed-upon procedures and consulting services to former redevelopment agencies in several cities in Los Angeles County, Riverside County, and San Bernardino County and assisted these agencies with the unique and complex compliance and financial reporting requirements related to the dissolution of redevelopment agencies in California.

Ms. Crowley has served as the engagement partner for the following entities:

- City of Compton
- City of Oxnard
- Consolidated Fire Agencies of the East Valley (CONFIRE JPA)
- Law Library for San Bernardino County
- Riverside County Sheriff's Department
- Riverside County Department of Public Social Services
- San Bernardino Regional Emergency Training Center
- San Bernardino Public Safety Authority
- San Bernardino Community College District
- San Bernardino County Special Districts
- San Bernardino Valley Water Conservation District
- Victor Valley Wastewater Reclamation Authority
- West Valley Water District (Treasurer)

EDUCATION

BA Degree in Business Administration, emphasis in Accounting, California State University, San Bernardino

PROFESSIONAL ORGANIZATIONS

American Institute of Certified Public Accountants
 California Society of Certified Public Accountants
 California Special Districts Association

VOLUNTEER ACTIVITIES

Kiwanis Club of San Bernardino
 Family Service Association of Redlands
 Friends of Prospect Park
 CSUSB Business Alliance



DAVID W. MCKISSIC

Information Technology Specialist

Office: 951.241.7800 | mckissic@eadiepaynellp.com

Mr. McKissic joined the EadiePayne team in 2017 as the firm's Information Technology Operations and Security Consultant. He is a solution driven IT professional with a long list of satisfied customers in a wide range of service industries. He is skilled in the strategic planning, design, and implementation of highly scalable, robust, and secure networks. Mr. McKissic has performed IT risk assessments, remediation testing, and attest services for several municipal government clients. He provides Cybersecurity Awareness Training to organizations on an ongoing basis, and is competent in speaking about topics such as Disaster Recovery and BCP, Importance of Device security, How to prepare for Social Engineering and Phishing Attacks, and The Importance of Multi-Factor Authentication in a Modern Workplace.

Mr. McKissic has over 15 years of experience in business development, strategic planning, and technology evangelism, with 6+ years as Chief Technology Officer for IT service organizations. Most recently he serves as a senior engineer of Acorn Technology Services, where he helps lead the team of IT service engineers and helpdesk technicians. David has a deep passion for all things technology and thrives where he can bring high value solutions to organizations, often reaching goals under budget and ahead of schedules.

Mr. McKissic began his IT career in 1999 with his consulting firm Dave2k.org, performing Y2K compliance updates for local government and municipality organizations. While still in high school, David obtained CompTIA A+, and Network+ certifications. During his time in college he obtained Cisco CCNA, and CompTIA Security+ certifications. Mr. McKissic is currently pursuing ISC2 CISSP certification.

Mr. McKissic currently provides information technology consulting services to over 65 clients, in various industries, including governmental agencies and municipalities. His governmental clients served include:

- City of Covina
- City of Compton
- City of Lomita
- City of La Quinta
- City of Monrovia
- City of Oxnard
- City of San Jacinto
- City of South Pasadena
- First 5 of Riverside County
- Hesperia Recreation and Park District
- Jurupa Recreation and Park District
- Beaumont Recreation and Park District
- Riverside Community College District
- Riverside County Fire Department
- Rubidoux Community Services District
- San Bernardino County Special Districts

EDUCATION

CSNT, New England Institute of Technology, Warwick RI, 2005

PROFESSIONAL ORGANIZATIONS

Orange County VMWare Users Group (VMUG)
 Southern California Cloud Computing groups

CERTIFICATIONS

Criminal Justice Information System Security



JACLYN NASH, CPA

Supervisor

Office: 951.241.7819 | Mobile: 909.557.5751 | jnash@eadiepaynellp.com

Ms. Nash joined EP in 2018 as a senior accountant, and was promoted to supervisor in January 2020. Ms. Nash assists in the planning and execution of the engagement, provides valuable guidance to staff during audit fieldwork, and serves as a central point of contact for clients during the audit. She has developed strong skills in the application of accounting principles, including a thorough understanding of government accounting and correlated compliance requirements. Additionally, Ms. Nash demonstrates strong skills in interpersonal communication, which provides opportunities for collaboration between the audit team and the client.

Ms. Nash's governmental clients served include:

- City of Oxnard
- City of Riverside
- County of Riverside
- County of San Bernardino
- Fontana Union Water Company
- Girl Scouts of San Geronio Council
- Hesperia Recreation and Park District
- Inland Empire Latino Lawyers Association
- Inland Empire Resource Conservation District
- Inland Valley Development Agency
- Law Library for San Bernardino County
- Legal Aid Society of San Bernardino
- Riverside County Law Library
- Riverside County Transportation Commission
- Riverside Highland Water Company
- San Bernardino County Special Districts
- San Bernardino Regional Emergency Training Center
- Twenty Nine Palms Water District

RECENT RELEVANT CPE:

CCH 2021 GAAP, GAAS & SSARS Update: 2021
 AICPA OMB Compliance Supplement and Covid-19 Audit Implications, 2021
 EP Single Audit Intermediate Training: 2020
 CSMFO GASB Update, 2020
 CSMFO Material Weaknesses in Internal Control, 2020
 CSMFO Actuarial Information/Valuations 101, 2020
 CSMFO Lessons in Cybersecurity from the Hacker's Playbook, 2020
 GASB Pension Standards Overview, 2020
 COVID-19 Impact on Payroll and Payroll Fraud, 2020
 Teammate Analytics, 2020
 Leaderology SOPs Ascent Program, 2020
 AICPA Government Audit Quality Center Update: 2019
 Regulatory Ethics Guidebook for CPAs: AICPA Code of Professional Conduct: 2021
 Form 990: Governance, Transparency, and Transactions with Interested Persons: 2021
 Financial Instruments Accounting Standard Update Explained: 2021
 Forensic Accounting: Fraud Investigations: 2021
 CalCPA New Manager Series: 2021

EDUCATION

BA in Business and History, Walla Walla University (Summa Cum Laude)
 MA in Early Modern History, King's College, London (Merit)

PROFESSIONAL ORGANIZATIONS

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



SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES

City of Compton	
Engagement Partner:	Eden C. Casareno
Scope of Work:	Financial audits; single audits; preparation of GAAP financial statements; assistance with GASB 68 & 75; assistance with corrective action plan; agreed-upon procedures for Federal Transit Administration requirement; involvement with bond disclosures and issuance.
Years Audited:	2014 - Present
Hours:	1,500
Client Contact:	Sharon Rahban, Controller (310) 801-4588 srahban@comptoncity.org
Client Address:	205 S. Willowbrook Avenue Compton, CA 90220

City of Oxnard	
Engagement Partner:	Eden C. Casareno
Scope of Work:	Financial audits; single audits; Annual Comprehensive Report Preparation preparation (GFOA award recipient); assistance with GASB 68 & 75; assistance with corrective action plan; agreed-upon procedures for checks/warrants, EFTs and ACHs; agreed-upon procedures for Measure O; filing of SCO streets and financial transactions report; and Gann Appropriations Limit report.
Years Audited:	2015 - Present
Hours:	1,200
Client Contact:	Betsy George, CFO (805) 385-7461 betsy.george@oxnard.org
Client Address:	300 W. Third Street Oxnard, CA 93030

San Bernardino County Special Districts	
Engagement Partner:	Eden C. Casareno
Scope of Work:	Audit of 21 County Service Areas and special districts and preparation of GAAP financial statements.
Years Audited:	2015 - Present
Hours:	1,000
Client Contact:	Josue Palos, Division Manager (909) 386-8824 josue.palos@dpw.sbcounty.gov
Client Address:	268 W. Hospitality Lane 4th Floor San Bernardino, CA 92415

SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES

City of Huntington Park	
Engagement Partner:	Eden C. Casareno
Scope of Work:	Financial and single audits; preparation of GAAP financial statements; and assistance with GASB 68 and GASB 75.
Years Audited:	2019 - Present
Hours:	800
Client Contact:	Nita McKay, Director of Finance & Administrative Services (323) 584-6202 nmckay@hpcg.gov
Client Address:	6550 Miles Avenue Huntington Park, CA 90255

Inland Valley Development Agency	
Engagement Partner:	Brandon Ferrell
Scope of Work:	Financial and single audits, preparation of GAAP financial statements, and special procedures.
Years Audited:	2013 - Present
Hours:	350
Client Contact:	Mike Burrows, Executive Director (909) 382-4100 mburrows@sbdairport.com
Client Address:	1601 E. Third Street, Suite 100 San Bernardino, CA 92408

SPECIFIC AUDIT APPROACH

Audit Timeline

Planning & Interim Fieldwork	
Initial Audit Plan	June 13, 2022
Audit Request List	June 20, 2022
Interim Work	July 28, 2022
Final Audit Fieldwork	
Final Audit Plan	October 3, 2022
Final Audit	October 28, 2022
Report Finalization and Presentation	
Draft Reports	November 18, 2022
City's Responses and Review of draft reports	November 30, 2022
Final Reports	December 15, 2022
Presentation to Audit Committee/City Council	To be determined
Other Services	
SCO Report Preparation and Submission	January 2023

Planning & Interim Fieldwork

Our audit begins with our understanding of the City and its environment, including its internal control, and assessing the risks of material misstatements. This process includes inquiries with management and others in your organization, preliminary analytical procedures, observation and inspection, and discussions among the audit team. Specifically, this process will involve:

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

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

Final Audit Fieldwork

EadiePayne will review and analyze account balances and transactions and certain general ledger accounts, including asset, liability, deferred inflow and outflow, revenue, and expenditure accounts. We will also review the accounting principles followed and the consistency of their application in preparing the financial statements. Our audit will also include evaluating the reasonableness of accounting estimates and the completeness and accuracy of financial statement disclosures.

SPECIFIC AUDIT APPROACH

Our audit procedures may include, among others:

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

Report Finalization and Presentation

The following reports will be issued after the completion of the audits for fiscal years ending June 30, 2022 through 2024:

- ✓ Report on the fair presentation of the financial statements in conformity with generally accepted accounting principles for the City, Community Economic Development Corporation (CEDC), Perris Housing Authority, Perris Joint Powers Authority, Perris Financing Authority, and Perris Utility Authority.
- ✓ A report on the internal control over financial reporting and on compliance based on the audit of the financial statements performed in accordance with *Government Auditing Standards*.
- ✓ A separate management letter that includes recommendations for improvements in internal control, accounting procedures and other significant observations.
- ✓ The auditor's communication with those charged with governance regarding significant findings or issues from the audit.
- ✓ Agreed-upon procedures report on the City's GANN Appropriations Limit

Single Audit

A single audit will be performed in accordance with the Single Audit Act and the Uniform Guidance. In the single audit, our goal is to determine whether the City has complied with federal statutes, regulations, and the terms and conditions of federal awards that may have a direct and material effect on each of its major programs. The compliance audit includes gaining an understanding of and testing internal control over compliance for major program. We will use a risk-based approach to determine which federal programs are major programs. Our determination of the programs to audit is based on an overall evaluation of the risks of noncompliance occurring that could be material to the individual federal programs.

For the Single Audit, we will issue the following reports:

- ✓ An "in-relation-to" report on the schedule of expenditures of federal awards.
- ✓ A report on compliance for each major program and on internal control over compliance required by the Uniform Guidance.

SCO Report

EP will prepare the City's Financial Transactions Report (FTR) and Special Districts Financial Transactions Reports for the Perris Joint Powers Authority, Perris Public Financing Authority and Perris Public Utility Authority in accordance with the SCO's FTR instructions. The FTR shall contain underlying data from audited financial statements.

SPECIFIC AUDIT APPROACH

Tax Return Preparation

The EP tax team will prepare the Federal Return of Organization Exempt from Income Tax (Form 990) and California Exempt Organization Annual Information Return (Form 199) for Perris Community Economic Development Corporation (CEDC).

Other Services

We will assist in other activities as requested in the RFP:

- ✓ Preparation of the Annual Comprehensive Financial Report for the City to meet the requirements of the GFOA Certificate of Achievement for Excellence in Financial Reporting program.
- ✓ Preparation of the financial statements of component units
- ✓ If requested, we shall be available to issue a “consent and citation of expertise” and necessary “comfort letters” in connection with the sale of debt securities.
- ✓ Complimentary consulting on accounting and technical matters for up to 20 hours annually.

Level of Staff and Number of Hours

Position/Task	Financial Audits				Single Audit
	Planning & Interim Fieldwork	Audit Fieldwork	Report Preparation & Presentation	Subtotal for Financial Audit	
Partner/Director	20	30	20	70	5
Manager	40	40	20	100	10
Supervisor	40	100	40	180	20
Senior/Staff	80	200	80	360	20
Clerical	-	-	3	3	2
TOTALS	180	370	163	713	57

Sample Sizes

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

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

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

SPECIFIC AUDIT APPROACH

Use of Computer Software

EadiePayne has been using a paperless audit approach for many years. All members of the EadiePayne audit team are assigned personal computers that include the latest updates of professional accounting and auditing software, search engines, word processing, and spreadsheet software. We will utilize computer-assisted auditing techniques, thereby increasing our audit efficiency and effectiveness, saving you time and money and increasing the reliability of the results of audit tests.

Prosystem fx Engagement puts the power of paperless engagements in our hands. It allows access to audit files, audit documents, audit workpapers, and client prepared schedules. It improves audit preparation and execution with an automated process, which consequently allows for a increased efficiency, and therefore, resulting in less hours needed to complete the City's audit while maintaining quality and ensuring all risks identified are properly addressed during the process.

Teammate Analytics is packed with over 150 tools and features that we utilize to test complete sets of data rather than testing samples, identify anomalies and trends more easily, and conduct a comprehensive analysis of your general ledger system. This tool increases our efficiency and effectiveness, saving you time and money and increasing the reliability of the results of audit tests. In addition, we can provide more useful insights to the City.

We also offer our clients web-based portals that provide a secure, convenient, and easy way to exchange and share files with us. We utilize an electronic Engagement Organizer, in which to place requested data files and other request audit support documents. Access is limited to the personnel assigned to the audit so that the information that is sent to us remains confidential. It's more than a PBC list because of features like real-time synchronization, automatic reminders and notifications.

Analytical Procedures

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

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

SPECIFIC AUDIT APPROACH

Internal Control

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

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

Our evaluation of internal control will include an assessment of information technology general controls (ITGC).

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

As part of the risk assessment process, EadiePayne will obtain an understanding of laws, regulations, and provisions of contracts and grant agreements that have a direct and material effect on the determination of financial statement amounts, design tests of compliance with those laws, regulations, and provisions of contracts and grant agreements, and evaluate the results of those tests. Because governments are subject to many laws, regulations, and provisions of contracts or grant agreements, we will identify those that directly relate to specific aspects of the government within the context of our audit objectives.

This process will involve discussions with management, legal counsel, or grant administrators about your compliance requirements and reviewing relevant laws, regulations, contracts, and agreements. In addition, we will review minutes of the City Council and Committee Meetings, and staff reports.

Drawing Audit Samples for Purposes of Tests of Compliance

In the single audit, each major program will have separate populations that will need to be sampled for each direct and material compliance requirement. EP utilizes a single sample to test compliance and to perform test of controls on the same sample - also known as dual-purpose sample testing. We will utilize this whenever possible to increase the efficiency of the audit.

IDENTIFICATION OF ANTICIPATED POTENTIAL AUDIT PROBLEMS

As we all are aware, business as usual is not the case because of COVID-19. This disruption crosses all industries and unfortunately will go on for an unknown timeframe. Our firm is committed to clear communications throughout the engagement. Together, we will address any employee health and safety concerns you may have. We are prepared to co-develop a specific approach to your engagement to address COVID-19 challenges. We will work with you to accommodate operational changes such as remote work while staying committed to deadlines.

With the list of new GASB pronouncements continuing to grow, EadiePayne prides itself in being a resource for its clients in the understanding and implementation of these new standards. EadiePayne understands that the implementation of these pronouncements can be quite the undertaking and is committed to assisting the City through it every step of the way.

The following GASB pronouncements are expected to become effective during the proposed engagement period:

Standard Number	Title	Effective Date FYE	Summary
GASB 87	Leases	June 30, 2022	<i>Statement 87 requires that governments recognize the following: a lease liability and an intangible asset representing a right to use the leased asset or a lease receivable and deferred inflow of resources for assets leased. It also provided guidance for additional reporting in financial statements.</i>
GASB 89	Accounting for Interest Cost Incurred before the End of a Construction Period	June 30, 2022	<i>Statement 89 establishes guidance designed to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period. It also simplifies accounting for interest cost incurred before the end of a construction period.</i>
GASB 91	Conduit Debt Obligations	June 30, 2023	<i>Statement 91 provides a single method for government issuers to report conduit debt obligations and related commitments. The enhanced guidance is designed to eliminate diversity in practice associated with these issues.</i>
GASB 92	Omnibus 92	June 30, 2022	<i>Statement 92 includes guidance addressing various accounting and financial reporting issues identified during the implementation and application of certain GASB pronouncements.</i>
GASB 93	Replacement of Interbank Offered Rates	June 30, 2022 and 2023	<i>Statement No. 93 assists state and local governments in the transition away from existing interbank offered rates (IBORs) to other reference rates.</i>
GASB 94	Public-Private and Public-Public Partnerships and Availability Payment Arrangements	June 30, 2023	<i>Statement No. 94 provides guidance to improve accounting and financial reporting for public-private and public-public partnership arrangements (commonly referred to as P3s) and availability payment arrangements (APAs).</i>
GASB 96	Subscription-Based Information Technology Arrangements	June 30, 2023	<i>GASB Statement No. 96 provides accounting and financial reporting guidance for subscription-based information technology arrangements (SBITAs). It is based on the standards established in Statement 87, Leases.</i>
GASB 97	Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans	June 30, 2022	<i>GASB 97 will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.</i>

INSURANCE REQUIREMENTS AND PROPOSER GUARANTEES

As shown in the documentation below, EadiePayne is able to provide the required insurance policies outlined in Appendix C of the proposal.

		EADIPAY-01	KCHANDRA				
CERTIFICATE OF LIABILITY INSURANCE		DATE (MM/DD/YYYY) 04/15/2022					
<p>THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.</p> <p>IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. IF SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).</p>							
PRODUCER License # 0757776 HUB International Insurance Services Inc. PO Box 5345 Riverside, CA 92517		CONTACT Irene McCleary PHONE (A/C, No, Ext): (951) 779-8532 FAX (A/C, No): (951) 231-2572 EMAIL: irene.mccleary@hubinternational.com ADDRESS: cal.cpu@hubinternational.com					
INSURED Eadie and Payne, LLP 3850 Lemon St., Ste. 300 Riverside, CA 92501		INSURER(S) AFFORDING COVERAGE					
		INSURER A: Sentinel Insurance Company, Ltd. NAIC # 11000					
		INSURER B: Preferred Employers Insurance Company 10900					
		INSURER C: Lloyd's of London 15792					
		INSURER D:					
		INSURER E:					
INSURER F:							
<p>COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:</p> <p>THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.</p>							
INSR LTR	TYPE OF INSURANCE	ADD'L	INSURER	POLICY NUMBER	POLICY EFF. (MM/DD/YYYY)	POLICY EXP. (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PERCENT <input type="checkbox"/> LOC OTHER:			72 SBA IB6333	10/1/2021	10/1/2022	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - COM/POP AGG \$ 4,000,000
A	<input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			72 SBA IB6333	10/1/2021	10/1/2022	COMBINED SINGLE LIMIT (Ea accident) \$ 2,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			72 SBA IB6333	10/1/2021	10/1/2022	EACH OCCURRENCE \$ 4,000,000 AGGREGATE \$ 4,000,000
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N	N/A	AAN 100994-23	7/1/2021	7/1/2022	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C	Cyber/Privacy/Networ			ESK0133105692	8/25/2021	8/25/2022	Aggregate/Each Claim \$ 1,000,000
DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required) For Verification Only.							
CERTIFICATE HOLDER				CANCELLATION			
City of Perris 101 North "D" Street Perris, CA 92570				SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 			
ACORD 25 (2016/03)				© 1988-2015 ACORD CORPORATION. All rights reserved.			
The ACORD name and logo are registered marks of ACORD							

INSURANCE REQUIREMENTS AND PROPOSER GUARANTEES

PROPOSER GUARANTEES AND PROPOSER WARRANTIES

- A. The proposer certifies it can and will provide and make available, at a minimum, all services in this request for proposal.
- B. Proposer warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof.
- C. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of the City of Perris.
- D. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official: Eden C Casareno

Name (typed): Eden C. Casareno

Title: Partner-in-charge of Attest Services

Firm: Eadie and Payne, LLP

Date: 04/15/22

TOTAL ALL-INCLUSIVE PRICE

SUMMARY OF ALL-INCLUSIVE FEES

Fiscal Year 2021/2022	\$ 99,650
Fiscal Year 2022/2023	\$ 102,205
Fiscal Year 2023/2024	\$ 104,760
GRAND TOTAL	\$ 306,615

FIXED FEES PER FISCAL YEAR BY CATEGORY

TOTAL ALL-INCLUSIVE FEES – FISCAL YEAR 2021/2022

	Hours	Standard Hourly Rate	Quoted Hourly Rate	Total
Audit:				
Partner	75	\$ 360	\$ 200	\$ 15,000
Manager	110	\$ 325	\$ 175	\$ 19,250
Supervisory Staff	200	\$ 195	\$ 100	\$ 20,000
Staff	385	\$125-170	\$ 65-90	\$ 34,525
SubTotal				\$ 88,775
Out-of-pocket Expenses:				
Meals and Lodging				\$ -
Transportation				\$ -
Other (Specify)				\$ -
Preparation of ACFR and Component Units Financial Statements				\$ 4,220
Preparation of Financial Transactions Report for the City and Special Districts				\$ 4,400
Agreed -Upon procedures regarding Appropriation Limits				\$ 355
Preparation of Non-profit Tax Returns (Form 990 and Form 199) for CEDC				\$ 1,900
Total All-Inclusive Price (Fiscal Year 2021/2022)				\$ 99,650

FIXED FEES PER FISCAL YEAR BY CATEGORY
TOTAL ALL-INCLUSIVE FEES – FISCAL YEAR 2022/2023

	Hours	Standard Hourly Rate	Quoted Hourly Rate	Total
Audit:				
Partner	75	\$ 369	\$ 205	\$ 15,375
Manager	110	\$ 333	\$ 179	19,690
Supervisory Staff	200	\$ 200	\$ 103	\$ 20,600
Staff	385	\$ 128-174	\$ 66-92	\$ 35,390
SubTotal				\$ 91,055
Out-of-pocket Expenses:				
Meals and Lodging				\$ -
Transportation				\$ -
Other (Specify)				\$ -
Preparation of ACFR and Component Units Financial Statements				\$ 4,330
Preparation of Financial Transactions Report for the City and Special Districts				\$ 4,510
Agreed -Upon procedures regarding Appropriation Limits				\$ 360
Preparation of Non-profit Tax Returns (Form 990 and Form 199) for CEDC				\$ 1,950
Total All-Inclusive Price (Fiscal Year 2022/2023)				\$ 102,205

FIXED FEES PER FISCAL YEAR BY CATEGORY

TOTAL ALL-INCLUSIVE FEES – FISCAL YEAR 2023/2024

	Hours	Standard Hourly Rate	Quoted Hourly Rate	Total
Audit:				
Partner	75	\$ 378	\$ 210	15,750
Manager	110	\$ 341	\$ 183	20,130
Supervisory Staff	200	\$ 205	\$ 106	21,200
Staff	385	\$ 131-179	\$ 68-95	\$ 36,270
				<u>\$ 93,350</u>
SubTotal				
Out-of-pocket Expenses:				
Meals and Lodging				\$ -
Transportation				\$ -
Other (Specify)				\$ -
Preparation of ACFR and Component Units Financial Statements				<u>\$ 4,440</u>
Preparation of Financial Transactions Report for the City and Special Districts				<u>\$ 4,620</u>
Agreed -Upon procedures regarding Appropriation Limits				<u>\$ 370</u>
Preparation of Non-profit Tax Returns (Form 990 and Form 199) for CEDC				<u>\$ 2,000</u>
Total All-Inclusive Price (Fiscal Year 2023/2024)				<u>\$ 104,760</u>

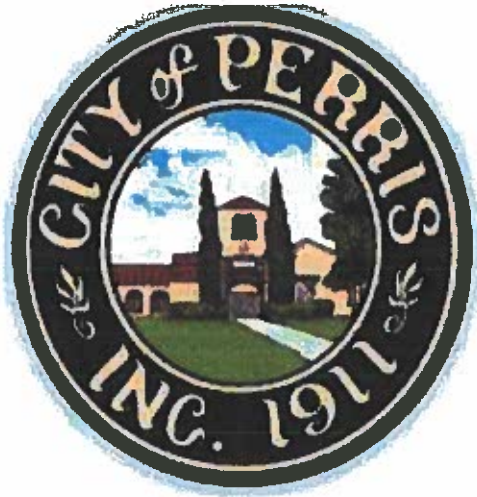
RATES FOR ADDITIONAL PROFESSIONAL SERVICES

If it should become necessary for the City to request EP to render additional services outside the scope of this RFP, these services shall be performed at the same rates set forth in the schedule of fees and expenses included in the dollar cost proposal as follows.

	Fiscal Year 2021/2022	Fiscal Year 2022/2023	Fiscal Year 2023/2024
Partner	<u>\$ 200</u>	<u>\$ 205</u>	<u>\$ 210</u>
Manager	<u>\$ 175</u>	<u>\$ 179</u>	<u>\$ 183</u>
Supervisory Staff	<u>\$ 100</u>	<u>\$ 103</u>	<u>\$ 106</u>
Staff	<u>\$ 65-90</u>	<u>\$ 66-92</u>	<u>\$ 68-95</u>

ATTACHMENT 6

**REQUEST FOR PROPOSAL FOR
AUDIT SERVICES**



CITY OF PERRIS, CALIFORNIA

Request for Proposal for Audit Services

Email PDF Proposal to:
ereyna@cityofperris.org

Ernie Reyna
Deputy City Manager
101 North "D" Street
Perris, CA 92570

Proposal Due Date:
April 15, 2022 @ 4:00pm

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INTRODUCTION

A. General Information

The City of Perris requests proposals from qualified firms of certified public accountants to provide professional audit services regarding the financial statements for the fiscal years ending June 30, 2022, 2023, 2024. The professional audit services are to be performed in accordance with the United States generally accepted auditing standards, the standards set forth for financial audits in the United States Government Accountability Office (GAO) *Government Auditing Standards*, audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administration Requirements, Cost principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and audit requirements of the California State Controller's Office.

For a proposal response to be considered, a PDF version of the proposal must be received via email by the **City of Perris on or before April 15, 2022 at 4:00pm**. The City of Perris reserves the right to reject any or all proposals submitted. Proposals submitted will be evaluated by a Review Panel comprising of City Officials. The review will be based on predetermined guidelines.

The Review Panel may request for any additional information or clarifications from proposers, or allow corrections of errors or omissions. At the discretion of the Review Panel, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The City of Perris reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City of Perris and the firm selected.

It is anticipated that the proposal reviews will be completed and recommendation made to the City Council regarding the selected firm not later than **May 10, 2022**. After notification of the selected firm, it is expected that an engagement letter will be executed between the City and the selected firm within 30 days of the City Council approval.

B. Term of Engagement

Contract Period - The audit service contract shall be for a three-year period and shall become effective immediately upon execution by all parties. The first year of the audit service shall be for fiscal year 2021/2022 ending on June 30, 2022. The audit service for the next fiscal year shall commence only after the prior fiscal year services have been completed and all deliverables / reports delivered to the City in line with all applicable audit standards. The terms of the contract shall end after the completion of the audit services for the fiscal year ending June 30, 2024. However, the City may decide on a maximum of two extensions of the contract for a duration of one year each.

II. DESCRIPTION OF THE GOVERNMENT

A. Background Information

Perris covers approximately 33 square miles and is located 70 miles east of Los Angeles and 20 miles southwest of Riverside. The City offers a temperate Mediterranean climate with warm dry summers and mild winters. Demographically, Perris is an ethnically diverse community of approximately 80,067 residents, of which 73% are of Hispanic or Latino origin, and the average household size is 4.5 people.

The City of Perris was incorporated in 1911 under the general laws of the State of California and enjoys all the rights and privileges afforded to a general law city. The City is governed by a five-member City Council under the Mayor-Council-Manager form of government. Policy-making and legislative authority are vested in the City Council, consisting of the Mayor and four other members. Council Members are elected at-large and do not represent any one district or area within the City. The Mayor and Council Members are elected to a four-year term and the City does not have term limits. Regular elections are conducted in November of even numbered years. The City has approximately 112 employees and in-house services include construction and maintenance of City streets, economic development, parks, recreation and senior services, animal control, disaster preparation, as well as community development activities such as urban planning, building permits and inspections, and business licensing. The City contracts for police and fire protection, water and waste-water services, City Attorney services, City Engineering services, and waste/recycling collection.

The City is organized into several departments. The City uses an ERP system MUNIS with decentralized system for initiation and approval of purchase orders at the department level based on the Council approved budget and priorities. Payroll processing is performed at the Finance Department with employee time recording and approval initiated at the department level. Revenues are collected and receipted at the department level based on the point of services and provided on a daily to the Finance department for banking and general ledger recording purposes. The Finance Department handles the Utility billing and updates the general ledger accordingly as the revenues are collected.

Revenues and expenditures accounted for in the governmental funds are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements which govern the City's operations. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP) for nearly all governmental funds. Budgetary control is exercised at the departmental level. Accordingly, department heads are authorized to make transfers between budgeted line items within their respective departments. Interdepartmental transfers within funds require City Manager's authorization (without approval by the City Council). All other changes to the budget must be authorized by the City Council.

The City has consistently completed its fiscal year audit before December of the year following the end of the fiscal year (with the exception of a few weeks delay experienced during the least two audits caused by the COVID-19 pandemic). The audits were completed on time to ensure that the various reports are filed with appropriate agencies. The City received the GFOA Certificate of Achievement for Excellence in Financial Reporting for its ACFRs for the last fifteen years through June 30, 2020. It is anticipated that the City will receive award for its ACFR for the fiscal year ended June 30, 2021. More information on the City's government, operations and finances can be found in the following documents which are available on the City's website at <https://www.cityofperris.org/departments/finance/financial-transparency>:

1. City Budget
2. Capital Improvement Program
3. Auditor Opinion Letters & Other Communications
4. Comprehensive Annual Financial Reports
5. City Investment Policy

B. Fund Structure

The City of Perris uses the Fund Accounting system and has the following major categories of funds.

- The **General Fund** is used to account for all financial resources of the City, except for those required to be accounted for in another fund.
- The **Public Financing Authority Debt Service Fund** is used to account for the accumulation of resources for, and the repayment of long-term debt principal, interest and related costs of the Authority.
- The **Joint Powers Authority Debt Service Fund** is used to provide financing and account for the accumulation of resources for, and the repayment of long-term debt principal, interests and related costs for capital improvements and other programs within the City.
- The **Road and Bridge Benefit District Special Revenue Fund** is used to account for funds received from assessment and developer fees, and, the expenditures for the maintenance and improvements of roads and bridges.
- The **Storm Drain Development Capital Project Fund** is used to account for the capital improvements of upgrading the storm drains within the City.
- The **Capital Improvement Projects Capital Project Fund** is used to account for miscellaneous improvement projects which are financed primarily from developer contributions and transportation uniform mitigation fees.
- The **Housing Authority**, accounts for the activities of the City's housing operations.
- The **Perris Community Economic Development Corporation (CEDC)** accounts for the activities of the City's nonprofit public benefit Corporation.

The City uses the following major proprietary funds:

- The **Sewer Utility** accounts for the activities of the City's sewer utility distribution operations.
- The **Public Utility Authority** accounts for the water and wastewater activities of McCanna Ranch area.
- The **Water Utility** accounts for the activities of the City's water utility distribution operations.
- The **Solid Waste Utility** accounts for the activities of the City's solid waste utility distribution operations.

The City operates **Private-purpose Trust Fund** to report resources held in trust for the Successor Agency to the former Perris Redevelopment Agency and **Custodial Funds** to account for assets held by the City for the benefit of organizations or other governments that are not part of the City.

C. Pension Plans and Other Post-Employment Benefits

Pension

The City of Perris participates in the Cost-Sharing Multiple Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. The City sponsors four rate plans (three miscellaneous and one safety). In 2019, the City fully paid off the unfunded liability for employees' pension as part of the fiscal sustainability actions of the City Council.

Other Post-Employment Benefits (OPEB)

The City has defined benefit postemployment healthcare plan, (City of Perris Retiree Healthcare Plan, CPRHP), which provides medical benefits to eligible retired employees and qualified dependents. CPRHP is part of the Public Agency portion of the California Employers' Retiree Benefit Trust Fund (CERBT), an agent multiple-employer plan administered by California Public Employees' Retirement System (CalPERS). The City operates the OPEB on a pay-as-you-go basis. The City recently signed contract with CERBT to pre-fund the OPEB obligation. The City has not yet adopted any prefunding policy and has not contributed funds to the OPEB prefunding Trust Fund.

Actuarial services for the City's OPEB plan are provided by Total Compensation Systems, Inc.

D. Contact Person in the City of Perris

The auditor's primary contact person with the City of Perris is Stephen Ajobiewe, Finance Manager or a designated representative, who will coordinate the assistance to be provided by the City of Perris to the auditor.

III. ASSISTANCE TO BE PROVIDED TO THE AUDITOR

A. Statements, Schedules and Other Pertinent Information to be provided by the City of Perris

The staff of the City of Perris will prepare or provide the following statements and schedules to the auditors as part of the auditors' audit request:

- Trial balance for all funds.
- Schedules of revenues and expenditures, accounts payable and receivable, and encumbrances.
- Fund balance sheet and subsidiary account activity.
- Check registers for all funds.
- Bank reconciliations for all accounts.
- Detail of capital projects expenditures
- Analysis of accounts as requested.
- Investment activity schedules.
- Debt schedules.
- Fixed assets schedules.
- Payroll records.
- Tax collection schedules.
- Schedule of compensated absences.
- Latest actuarial reports.
- Standard representation letters.
- Management's discussion and analysis.
- ACFR statistical tables.

B. Work Space

Work space will be provided in close proximity to the financial records. Telephones and use of a copy and facsimile machines will be made available as well as internet access during the engagement. The auditor will be required to provide computer equipment and other office materials as needed.

IV. NATURE OF SERVICES REQUIRED

A. General

The City of Perris requires the audit of the City's Annual Comprehensive Financial Report and the Financial Statements of the Component Units for the fiscal years ending June 30, 2022, 2023, and 2024. The audits are to be performed in accordance with the provisions contained in this request for proposals, all applicable laws and auditing standards. The auditor shall express opinion on the fair presentation of the ACFR and the Component Units financial statements as listed below.

- City-wide ACFR
- Perris Community Economic Development Corporation Financial Statements
- Perris Housing Authority Financial Statements
- Perris Joint Powers Authority Financial Statements
- Perris Public Utility Authority Financial Statements
- Perris Public Financing Authority Financial Statements

The auditors will perform single audit in line with the Single Audit requirements stipulated in Subpart F, Audit Requirements outlined in the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements*. The auditor will produce and submit the required Single Audit Report for the fiscal years ending June 30, 2022, 2023 and 2024.

The audit services will also include audit procedures in compliance with the *Agreed-upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIII B of the California Constitution*. The auditor is required to issue opinion based on the performance of the agreed-upon procedures for the fiscal years ending June 30, 2022, 2023 and 2024.

The audit services further include preparation of the California State Controller Cities Financial Transactions Report, and Special Districts Financial Transactions Report for the Perris Joint Powers Authority, Perris Public Financing Authority and the Perris Public Utility Authority for the fiscal years ending June 30, 2022, 2023 and 2024.

Finally, the audit services include preparation of the **Federal Return of Organization Exempt from Income Tax (Form 990)** and **California Exempt Organization Annual Information Return (Form 199)** of the Perris Community Economic Development Corporation (CEDC) for the fiscal years ending June 30, 2022, 2023 and 2024. CEDC is a 501(c)3 exempt organization.

B. Qualifying Requirements

Qualified Firm

Firms submitting proposals must be qualified to perform independent audits of municipalities of the State of California. The firm must have been engaged during the fiscal year ending June 30, 2021, as independent auditors for the purpose of rendering

an opinion on the annual financial statements of a California municipality with a population of at least 50,000.

Location

The auditor must have an office located within the State of California, and the resident staff of the audit firm must be able to offer the full range of audit services required by this Request for Proposals.

Non-Discrimination

No person shall be denied or subjected to discrimination on account of any services, or activities made possible by or resulting from this agreement on the grounds of sex, race, color, creed, national origin, age (except minimum age and retirement provision), marital status or the presence of any sensory, mental or physical handicap. Any violation of this provision shall be considered a violation of a material provision of the agreement related to this Request for Proposal and shall be grounds for cancellation, termination or suspension in whole or in part of the agreement by the City of Perris and may result in ineligibility for further City of Perris contracts. The proposer shall at all times in the proposal and contract process comply with all applicable City of Perris, State of California, and federal anti-discrimination laws, rules, regulations and requirements thereof.

Reports

Each proposer shall submit copies of at least two Annual Comprehensive Financial Reports issued by California municipalities in which their opinion is contained. *At least one of these reports shall have been awarded the GFOA Certificate of Achievement for Excellence in Financial Reporting* within the past three years.

Other

Supervisory members of the audit team, including the "in charge" field auditor, should be Certified Public Accountants and have a minimum of three (3) years of municipal audit experience in the State of California. The selection personnel intend to strongly consider municipal audit experience and certification in evaluating the proposer's audit team. It is the City's desire to maintain a consistently qualified team during the term of the engagement. The submitted proposal should contain a list of the current California municipal clients and the California clients lost and gained during the past three calendar years.

C. Scope of Work to be Performed

The City of Perris desires the auditor to express an opinion on the fair presentation of its basic financial statements, the combining and individual non-major fund financial statements and schedules in conformity with generally accepted accounting principles. The auditor is required to conduct the audit in accordance with auditing standards

generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

The auditor will be required to assist the City in the preparation of the ACFR and Component Units financial statements. The City will review and approve the ACFR and financial statements before the printing of the financial statements. The auditor shall be entirely responsible for the printing of 25 bound copies of the ACFR before **December 15th** each year for the previous fiscal year. A PDF file of the ACFR for posting onto the City's website will be provided to the City before **December 15th** as indicated above. The auditor shall perform all required work and provide all reports to comply with audit reporting requirements of the California State Controller. The City shall provide the auditor with the audit instructions letters issued annually by the California State Controller to ensure compliance with the instructions.

D. Auditing Standards to be Followed

To meet the requirements of this request for proposals, the audit shall be performed in accordance with the following:

- Generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants,
- The standards for financial audits set forth in the U.S. Comptroller General's *Government Auditing Standards*,
- Provisions of the Title 2, Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart F – Audit Requirements (Uniform Guidance)
- California State Controller audit instructions letters.

E. Reports to be Issued

After completion of the audit of the fiscal year's financial statements, the auditor shall issue reports as required by generally accepted auditing standards, Government Auditing standards, the Uniform Guidance, and the California State Controller Audit Instructions Letters, including but not limited to the following:

- A report on the fair presentation of the Annual Comprehensive Financial Report of the City in conformity with generally accepted accounting principles.
- A report on the fair presentation of the financial statements of the Perris Community Economic Development Corporation (CEDC), Perris Housing Authority, Perris Joint Powers Authority, Perris Financing Authority, and Perris Public Utility Authority in conformity with generally accepted accounting principles.
- A report on compliance and on internal control over financial reporting based on an audit performed in accordance with *Government Auditing Standards*.
- A report on the Schedule of Expenditures of Federal Awards.

- Report on Cities Financial Transactions of the City of Perris in compliance with the California State Controller's instructions Letters.
- Report on Special Districts Financial Transactions of the Perris Joint Powers Authority, Perris Public Financing Authority and Perris Public Utility Authority in compliance with the California State Controller's instructions Letters.
- A Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance
- A report on Agreed-Upon Procedures Applied to Appropriations Limits prescribed by *Article XIII B of the California Constitution*.
- Federal Return of Organization Exempt from Income Tax (Form 990) and California Exempt Organization Annual Information Return (Form 199) for Perris Community Economic Development Corporation (CEDC).

The auditor shall communicate in a letter to the City Council any reportable conditions found during the audit. A reportable condition shall be defined as a material weakness or significant deficiency. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

F. Special Considerations

- The City of Perris must send, in a timely manner, its Annual Comprehensive Financial Report to the Government Finance Officers Association of the United States and Canada for review regarding the Certificate of Achievement for Excellence in Financial Reporting program. The City will not allow an extension on submission for this program.
- The City must submit its ACFR and Component Units financial statements in compliance with bonds reporting requirements and cannot entertain any delay in completing the ACFR and component financial statements.
- The City currently anticipates it will prepare one or more official statements in connection with the sale of debt securities which will contain the basic financial statements and the auditor's opinion thereon. The auditor shall be required, if requested by the City's financial advisor and/or the underwriter, to issue a "consent and citation of expertise" as the auditor and any necessary "comfort letters".
- The Schedule of Expenditures of Federal/State Awards and related auditor's report, as well as the reports on compliance and internal controls are not to be included in the annual comprehensive financial report but are to be issued separately.

G. Working Papers - Retention and Access

All working papers and reports must be retained, at the auditor's expense, for a minimum of five (5) years, unless the firm is notified in writing by the City of Perris of the need to extend the retention period. The auditor will be required to make working papers available, upon request by the City of Perris.

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

H. Computer System

The City of Perris utilizes MUNIS financial software, a product of Tyler Technology. The City can provide limited access to the selected auditor to the financial information system to review/print account balances, transactions and reports.

I. Availability of Prior Audit Reports and Working Papers

The selected audit firm will be authorized to review prior audit work papers. The request will need to be made through Stephen Ajobiewe, Finance Manager of the City of Perris.

V. TIME REQUIREMENTS

A. Proposal Calendar

The following is a list of key dates regarding this request for proposal:

Request for proposals issued	March 24, 2022
Due date for proposals	April 15, 2022
Recommendation of selected firm to Ways & Means Subcommittee	April 28, 2022
Notification of selected firm	May 5, 2022
City Council approval of audit service contract	May 10, 2022

B. Schedule for the Annual Audit

For the FY 2021/2022 audit, each of the following should be completed by the auditor not later than the dates indicated.

1. Initial Audit Plan – Auditor to discuss initial audit plan	June 13, 2022
2. Audit Request List – Auditor to provide list	June 20, 2022
3. Interim Work – Auditor to complete interim work	July 28, 2022
4. Final Audit Plan – Auditor to provide final audit plan	October 3, 2022
5. Final Audit – Auditor to complete final audit field work	October 28, 2022
6. Draft Reports – Auditor to provide draft reports	November 18, 2022
7. City's Responses and Review of draft reports	November 30, 2022
8. Final Reports – Auditor to provide signed reports	December 15, 2022

VI. PROPOSAL REQUIREMENTS

A. General Requirements

1) Inquiries

Inquiries concerning the request for proposals and the subject of the request for proposals must be made to:

**City of Perris
Finance Department
101 North "D" Street
Perris, CA 92570
Attn: Ernie Reyna, Deputy City Manager
ereyna@cityofperris.org
951.943.4610 x 244**

2) Submission of Proposals

For a proposal to be considered, it must contain the information enumerated below and must be received by 4:00pm on April 15, 2022. A PDF version of the proposal should be emailed to ereyna@cityofperris.org on or before April 15, 2022.

3) Proposal Format

- **Title Page** - Title page showing the request for proposals subject; the firm's name; the name, address and telephone number of the contact person; and the date of the proposal.
- **Table of Contents**
- **Transmittal Letter** - A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for five (5) years.
- **Detailed Proposal** - The detailed proposal should follow the order set forth below.

B. Technical Proposal

1. General Requirements

The purpose of the Technical Proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the City of Perris in conformity with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The Technical Proposal should demonstrate the qualifications of the firm and of the particular

staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposals requirements.

The Technical Proposal should address all the points outlined in this request for proposals (excluding any cost information which should be included in Appendix).

2. Independence

The firm should provide an affirmative statement that it is independent of the City of Perris as defined by generally accepted accounting standards and the U.S. Comptroller General's *Government Auditing Standards* (1994). The firm should also list and describe the firm's professional relationships involving the City of Perris or any of its agencies for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit. In addition, the firm shall give the City of Perris written notice of any professional relationships entered into during the period of this agreement.

3. License to Practice in California

An affirmative statement should be included indicating that the firm and all key professional staff are properly qualified to practice in California.

4. Firm Qualifications and Experience

The proposer should state: 1) the size of the firm, 2) the size of the firm's governmental audit staff, 3) the location of the office from which the work on this engagement will be performed and 4) the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the last three (3) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement regarding whether that quality control review included a review of specific government engagements.

5. Partner, Supervisory and Staff Qualifications and Experience

The firm should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement. Indicate whether each such person is licensed to practice as a certified public accountant in California. Provide information on the government auditing experience of each person, including information on relevant continuing

professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

Provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. Indicate how the quality of the staff over the term of the agreement will be assured.

The proposal should identify any consultants or specialists to be utilized. The specialists can only be changed with the prior written permission of the City. Other audit personnel may be changed at the discretion of the firm, provided that replacements have substantially the same or better qualifications or experience.

6. Similar Engagements with Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum - 5) performed in the last five years that are similar to the engagement described in this request for proposal. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

7. Specific Audit Approach

The proposal should set forth a work plan, including a detailed explanation of the audit methodology that will be utilized.

8. Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the City of Perris.

9. Insurance Requirements and Proposer Guarantees

The City requires the selected firm to have insurance coverage consistent with the details outlined in Appendix C. The proposal should include a statement indicating that the proposing firm is able to provide the required insurance policies.

The proposer is required to complete, sign and attach the Proposer Guarantees and Proposer Warranties Form (Appendix B) as part of the submitted proposal.

C. Cost Proposal

1. Total All-Inclusive Price

The dollar cost proposal should contain all pricing information relative to performing the audit engagement as described in this request for proposals. The total all-inclusive maximum price should contain all direct and indirect costs including all out-of-pocket expenses. The City of Perris will not be responsible for expenses incurred in preparing and submitting the technical proposal or the dollar cost proposal. Such costs should not be included in the proposal.

2. Fixed Fees per Fiscal Year by Category

The dollar cost proposal should include a schedule of professional fees and expenses, presented in the format provided in the attachment (**Appendix A**) that supports the total all-inclusive price. The costs proposal should be provided for each fiscal year of 2021/2022, 2022/2023, and 2023/2024. The **Total All-Inclusive Price** should combine the prices of the three fiscal years.

3. Cost for preparation of ACFR and Component Units Financial Statements

The cost proposal should contain the fee for preparation of the ACFR and the financial statements of the component units on behalf of the City.

4. Cost for preparation of Financial Transactions Reports

The costs proposal should also contain the fee for preparation of the Cities Financial Transactions Report for the City and the Special Districts Financial Transactions Reports for the Perris Joint Powers Authority, Perris Public Financing Authority and Perris Public Utility Authority.

5. Cost for performing the Agreed-Upon Procedures regarding Appropriations Limits

Further, the costs proposal should contain the fee for performing the agreed-upon procedures related to Appropriations Limits prescribed by *Article XIII B of the California Constitution*.

6. Cost for preparation of the Non-Profit Tax Return

The costs proposal should further contain the fee for preparation of the Federal Return of Organization Exempt from Income Tax (Form 990) and California Exempt Organization Annual Information Return (Form 199) of the Perris Community Economic Development Corporation (CEDC).

7. Rates for Additional Professional Services

If it should become necessary for the City of Perris to request the auditor to render any additional services requested in this request for proposals or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the City of Perris and the firm. Any such additional work agreed to between the City of Perris and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the dollar cost proposal in **Appendix A**.

VII. EVALUATION PROCEDURES

A. Review of Proposals

A point formula will be used during the review process to score proposals. Each proposal will be scored based on the criteria described below.

B. Evaluation Process

Proposals will be evaluated using the following three (3) sets of criteria:

1. Technical Proposal	60 points
2. Financial Proposal	30 points
3. References	<u>10 points</u>
Total Points	<u>100 points</u>

C. Interviews

During the evaluation process, the City may, at its discretion, invite one or more firms for on-site interviews. The City may develop another set of criteria for final evaluation and scoring, after the interviews.

D. Right to Reject Proposals

Submission of a proposal indicates acceptance of the conditions contained in this RFP unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City of Perris and the firm selected. The City of Perris reserves the right without prejudice to reject any or all proposals.

APPENDIX A

TOTAL ALL-INCLUSIVE FEES – FISCAL YEAR 2021/2022

	Hours	Standard Hourly Rate	Quoted Hourly Rate	Total
Audit:				
Partner	_____	\$ _____	\$ _____	\$ _____
Manager	_____	\$ _____	\$ _____	\$ _____
Supervisory Staff	_____	\$ _____	\$ _____	\$ _____
Staff	_____	\$ _____	\$ _____	\$ _____
SubTotal				\$ _____
Out-of-pocket Expenses:				
Meals and Lodging				\$ _____
Transportation				\$ _____
Other (Specify)				\$ _____
Preparation of CAFR and Component Units Financial Statements				\$ _____
Preparation of Financial Transactions Report for the City and Special Districts				\$ _____
Agreed-Upon procedures regarding Appropriation Limits				\$ _____
Preparation of Non-profit Tax Returns (Form 990 and Form 199) for CEDC				\$ _____
Total All-Inclusive Price (Fiscal Year 2021/2022)				\$ _____

APPENDIX A – cont'd

TOTAL ALL-INCLUSIVE FEES – FISCAL YEAR 2022/2023

	Hours	Standard Hourly Rate	Quoted Hourly Rate	Total
Audit:				
Partner	_____	\$ _____	\$ _____	\$ _____
Manager	_____	\$ _____	\$ _____	\$ _____
Supervisory Staff	_____	\$ _____	\$ _____	\$ _____
Staff	_____	\$ _____	\$ _____	\$ _____
SubTotal				\$ _____
Out-of-pocket Expenses:				
Meals and Lodging				\$ _____
Transportation				\$ _____
Other (Specify)				\$ _____
Preparation of CAFR and Component Units Financial Statements				\$ _____
Preparation of Financial Transactions Report for the City and Special Districts				\$ _____
Agreed-Upon procedures regarding Appropriation Limits				\$ _____
Preparation of Non-profit Tax Returns (Form 990 and Form 199) for CEDC				\$ _____
Total All-Inclusive Price (Fiscal Year 2022/2023)				\$ _____

APPENDIX A – cont'd

TOTAL ALL-INCLUSIVE FEES – FISCAL YEAR 2023/2024

	Hours	Standard Hourly Rate	Quoted Hourly Rate	Total
Audit:				
Partner		\$	\$	\$
Manager		\$	\$	\$
Supervisory Staff		\$	\$	\$
Staff		\$	\$	\$
SubTotal				\$
Out-of-pocket Expenses:				
Meals and Lodging				\$
Transportation				\$
Other (Specify)				\$
Preparation of CAFR and Component Units Financial Statements				\$
Preparation of Financial Transactions Report for the City and Special Districts				\$
Agreed-Upon procedures regarding Appropriation Limits				\$
Preparation of Non-profit Tax Returns (Form 990 and Form 199) for CEDC				\$
Total All-Inclusive Price (Fiscal Year 2023/2024)				\$

APPENDIX A – cont'd

TOTAL ALL-INCLUSIVE PRICE

SUMMARY OF ALL-INCLUSIVE FEES	
Fiscal Year 2021/2022	\$ _____
Fiscal Year 2022/2023	\$ _____
Fiscal Year 2023/2024	\$ _____
GRAND TOTAL	\$ _____

APPENDIX B

PROPOSER GUARANTEES AND PROPOSER WARRANTIES

- A. The proposer certifies it can and will provide and make available, at a minimum, all services in this request for proposal.

- B. Proposer warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof.

- C. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of the City of Perris.

- D. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official: _____

Name (typed): _____

Title: _____

Firm: _____

Date: _____

APPENDIX C

CITY OF PERRIS INSURANCE REQUIREMENTS

INSURANCE REQUIREMENTS

Insurance.

The Consultant shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to City, during the entire term of this Agreement including any extension thereof, the following policies of insurance:

Comprehensive General Liability Insurance.

A policy of comprehensive general liability insurance written on a per occurrence basis in an amount not less than either (i) a combined single limit of \$1,000,000.00 or (ii) bodily injury limits of \$1,000,000.00 per person, \$1,000,000.00 per occurrence and \$1,000,000.00 products and completed operations and property damage limits of \$1,000,000.00 per occurrence and \$2,000,000.00 in the aggregate.

Worker's Compensation Insurance.

A policy of worker's compensation insurance in such amount as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for both the Consultant and the City against any loss, claim or damage arising from any injuries or occupational diseases occurring to any worker employed by or any persons retained by the Consultant in the course of carrying out the work or services contemplated in this Agreement.

Automotive Insurance.

A policy of comprehensive automobile liability insurance written on a per occurrence basis in an amount not less than either (i) bodily injury liability limits of \$250,000.00 per person and \$500,000.00 per occurrence and property damage liability limits of \$100,000.00 per occurrence and \$250,000.00 in the aggregate or (ii) combined single limit liability of \$500,000.00. Said policy shall include coverage for owned, non-owned, leased and hired cars.

Professional Liability Insurance.

A policy of errors and omission professional liability insurance written in amounts of \$1,000,000.00 per occurrence and \$2,000,000.00 in the aggregate.

All of the above policies of insurance shall be primary insurance and shall name the City, its officers, employees and agents as additional insureds. The insurer shall waive all rights of subrogation and contribution it may have against the City, its officers, employees and agents and their respective insurers. All of said policies of insurance shall

provide that said insurance may not be amended or canceled without providing thirty (30) days prior written notice by registered mail to the City. In the event any of said policies of insurance are canceled, the Consultant shall, prior to the cancellation date, submit new evidence of insurance in conformance with this Section 4.1 to the Contract Officer. No work or services under this Agreement shall commence until the Consultant has provided the City with Certificates of Insurance or appropriate insurance binders evidencing the above insurance coverages and said Certificates of Insurance or binders are approved by the City.

The Consultant agrees that the provisions of this Section 4.1 shall not be construed as limiting in any way the extent to which the Consultant may be held responsible for the payment of damages to any persons or property resulting from the Consultant's activities or the activities of any person or persons for which the Consultant is otherwise responsible.

The insurance required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the Risk Manager of the City due to unique circumstances.

Sub-recipient and contractors shall submit original copies of the applicable insurance forms, including 1) insurance certificate, 2) additionally insured and primary insurance endorsement forms, 3) waiver of subrogation forms, 4) workman's compensation insurance forms, and 5) professional liability insurance certificate to the Program Administrator. Both the insurance certificate, and additionally insured/primary insurance endorsement form shall read: "The City of Perris, its agents, officers, and employees are named as additional insured under the policy. This insurance shall be primary to the coverage of the City of Perris. The City of Perris shall not be required to contribute to any loss." An authorized representative of the insurance company must sign all documents, including the endorsement forms. The insurance must be valid during the life of the agreement.

Indemnification.

Consultant agrees to indemnify the City, its officers, agents and employees against, and will hold and save them and each of them harmless from, any and all actions, suits, claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities, including paying any legal costs, attorneys' fees, or paying any judgment (herein "claims or liabilities") that may be asserted or claimed by any person, firm or entity arising out of or in connection with the negligent performance of the work or services of Consultant, its agents, employees, subConsultants, or invitees, provided for herein, or arising from the negligent acts or omissions of Consultant hereunder, or arising from Consultant's negligent performance of or failure to perform any term, provision covenant or condition of this Agreement, but excluding such claims or liabilities to the extent caused by the negligence or willful misconduct of the City.



CITY OF PERRIS

CITY COUNCIL

AGENDA SUBMITTAL

MEETING DATE: April 26, 2022

SUBJECT: EMWD Well 59 Perfluorooctanoic Acid (PFOA) Treatment Notification

REQUESTED ACTION: Receipt and File

CONTACT: Stuart E. McKibbin, Contract City Engineer

BACKGROUND/DISCUSSION:

EMWD operates the retail water system in northern area of the City of Perris. The attached Notification is in conformance with Division 104, Part 12, Chapter 4, of the Health and Safety Code

116378 (c) (2) ... a community water system or a non-transient non-community water system shall report the detection if the level exceeds the notification level as required by Section 116455.

116455

(a) A public water system shall comply with the requirements of this section within 30 days after it is first informed of a confirmed detection of a contaminant found in drinking water delivered by the public water system for human consumption that is in excess of a maximum contaminant level, **a notification level**, or a response level established by the department.

(2) If the public water system is a retail water system, then the person operating the retail water system shall notify the retail water system's governing body and the governing body of any local agency whose jurisdiction includes areas supplied with drinking water by the retail water system.

EMWD notified its own Board on April 19, 2022, and this notification to the City fulfills its obligations under the Health and Safety Code.

BUDGET (or FISCAL) IMPACT:

None

Prepared by: Stuart E. McKibbin, Contract City Engineer

REVIEWED BY:

City Attorney _____
Assistant City Manager _____
Deputy City Manager _____

Attachments:

1. Vicinity Map
2. EMWD Notification

Consent: Yes
Public Hearing:
Business Item:
Presentation:
Other:

ATTACHMENT 1

VICINITY MAP

VICINITY MAP



ATTACHMENT 2

EMWD NOTIFICATION



April 20, 2022

Subject: Well 59 Perfluorooctanoic Acid (PFOA) Treatment Notification

The purpose of this letter is to inform you of the presence of Perfluorooctanoic Acid (PFOA) in the effluent of the treatment facility for Well 59 groundwater that is served to District customers. Following mandatory monitoring required by the State Water Resources Control Board, Division of Drinking Water (DDW), it was determined that the notification level for PFOA has been exceeded. The DDW notification level for PFOA is 5.1 parts per trillion (ppt).

Pursuant to Health and Safety Code Section 116455, the EMWD must inform its governing body and the governing body of other water providers receiving this source of concentrations exceeding the notification levels. Notification levels are health-based advisory levels established by the DDW for chemicals in drinking water that lack maximum contaminant levels. Specific notification requirements and recommendations apply when chemicals are found at concentrations greater than their notification levels.

On March 3, 2022, potable Well 59 was removed from service as a precaution because the February 1, 2022 compliance sample showed a 3.4 ppt detection of PFOA in the treatment plant's finished water, just below the DDW Notification Level (NL). This result was received and the well removed from service after the March 1, 2022 compliance sample was collected. On March 25, 2022, the laboratory report was received showing a PFOA detection of 7.8 ppt, exceeding the 5.1 ppt NL but below the PFOA response level of 10 ppt (running four-quarter average). Well 59 has remained out of service since March 3, 2022, and will return to service once the treatment plant's granular activated carbon media is replaced.

PFOA has been extensively produced and studied in the United States. Based on the current evaluation of recent human and animal toxicity data, exposure to PFOA in tap water over certain levels may result in adverse health effects, including hepatotoxicity, immunotoxicity, thyroid toxicity, reproductive toxicity, and cancer (pancreatic and liver). These manmade substances have been synthesized for water

Board of Directors

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2270 Trumble Road • P.O. Box 8300 • Perris, CA 92572-8300

T 951.928.3777 • F 951.928.6177 www.emwd.org

Well 59 PFOA Treatment Notification

April 20, 2022

Page 2

and lipid resistance. They have been used extensively in consumer products such as carpets, clothing, fabrics for furniture, paper packaging for food, and other materials (e.g., cookware) designed to be waterproof, stain-resistant, or non-stick. In addition, they have been used in fire-retarding foam and various industrial processes. The origin of the contaminant in the local groundwater of Well 59 is from the March Air Reserve Base prior activities. The Air Force Civil Engineer Center has assumed the responsibility for the costs associated with the removal of PFOA, including EMWD's operation of the Well 59 treatment system.

If a chemical is present in drinking water that is provided to consumers at concentrations greater than the response level, DDW recommends that the drinking water system take the source out of service or provide treatment. At this time, the Well 59 treatment system is monitored and has not exceeded the response level. As required by DDW per the notification, additional information will be provided to District customers in next year's EMWD Consumer Confidence Report.

EMWD's Operations staff have adopted measures to prevent future exceedances of the NLs, including the treatment plant's shutdown while awaiting laboratory results. EMWD's laboratory staff is also looking to decrease analytical turnaround time by certifying our laboratory to conduct PFOA testing.

VERBAL PRESENTATION

Fire Department Annual Report



12.B.

CITY OF PERRIS

CITY COUNCIL AGENDA SUBMITTAL

MEETING DATE: April 26, 2022

SUBJECT: Introduction of Rave Mobile Safety

REQUESTED ACTION: That the City Council: 1) receive and file presentation; and 2) discuss and provide input regarding the proposed RAVE Mobile Alerting System solution for the City of Perris.

CONTACT: Arturo Cervantes, Chief Information Officer

BACKGROUND/DISCUSSION:

On February 23, 2022, California Governor's Office of Emergency Services (Cal-OES) announced that Atos Public Safety & Rave Mobile Safety have partnered with the State of California as the Next Generation 9-1-1 (NG 9-1-1) Alert and Warning System for the state, county, and local municipalities.

As part of the City's ongoing effort to improve its emergency preparedness and response capability, the City of Perris will transition to an emergency notification system designed to significantly enhance the City's ability to communicate with residents, businesses, and visitors in case of an emergency. Rave Mobile Safety's NG 9-1-1 Alert and Warning System provides the ability to send mass notifications and/or targeted messages to connect and inform the community by allowing Perris residents to register to receive real-time push notifications. In addition, Rave Mobile Safety allows sending notifications for planned road closures, City events, and emergencies through text, landlines, email, and RSS (Really Simple Syndication) web feed. Rave solution and alerting system are delivered as an easily implemented Cloud solution, with no requirement for customer investment in or maintenance of expensive hardware or software. Rave Mobile Safety and Atos Public Safety hosts, secures, monitors, and maintains the Rave Alerting solution for the next five years at no cost to the City.

Staff recommends that City Council receive and file the presentation and provide input regarding the proposed Rave Mobile Safety's Alerting System.

BUDGET (or FISCAL) IMPACT:

No fiscal impact at this time. Funds will be coming from the State of California, State Emergency Telephone Number Account (SETNA) program for the next five years.

Prepared by: Paul Lopez, Information Technology Supervisor

REVIEWED BY:

City Attorney _____

Assistant City Manager _____

Deputy City Manager ER

Attachments:

Consent:

Public Hearing:

Business Item: X

Presentation:

Other:



CITY OF PERRIS

CITY COUNCIL AGENDA SUBMITTAL

MEETING DATE: April 26, 2022

SUBJECT: Cannabis Taxes, Penalties, and Application Fees

REQUESTED ACTION: The City Council considers and discusses potentially reducing the cannabis taxes, penalties for taxes due, and fee reduction for medical, adult and lounge application fees.

CONTACT: Kenneth Phung, Director of Development Services

BACKGROUND/DISCUSSION:

At the March 24, 2022, Ways and Means Committee meeting, Joshua Naggar representing several cannabis dispensaries, presented a request for the Committee to consider the following:

1. A reduction in dispensary taxes from 10% to 5% or an option to allow dispensaries to take deductions for payroll and cost of goods.
2. A reduction in penalties for underpayment of taxes due to be in line with traditional businesses; and
3. The consolidation of medical, adult, and lounge applications under one fee review; and consideration to lower the fee.

The request was made because other nearby jurisdictions have updated their codes to allow cannabis operations with potentially a lower tax rate. Also, it was requested that the City Council consider less stringent penalties for underpayment of taxes owed and a lower review fee for renewal of medical/adult-use dispensaries and lounge applications. The premise is that, with the increased competition from the over-saturation of new cannabis operators, Perris operators have a competitive disadvantage in the current regulatory/tax environment.

As a result of those discussion points, the Committee directed staff to research the matter and take the request to the Council for further consideration. Since then, staff had conducted a tax survey comparing what was surveyed in 2018 when the City of Perris started permitting dispensaries, and, in addition, researching penalties for under tax payments and application review fees of neighboring jurisdictions.

Tax Rate Comparison in 2018 and 2022

The City of Perris was an early adopter of allowing cannabis operators and the City's tax rate reflect the taxes that were collected for neighboring communities at the time. See Attachment 1 for the tax rate history from 2018 to the present day.

Since that time, none of the cities that were previously surveyed in 2018 have lowered their tax rate. They have kept their taxes the same or have increased their tax rate. There are new cities that previously did not allow dispensaries but now allow dispensaries with lower tax rates (i.e., Coachella Valley at 6%, Corona at 7%, County of Riverside per square feet varying from \$16 per SF to \$20 per SF, Hemet 8%, Hesperia 4%, Moreno Valley 8%, and San Bernardino 4%).

Regarding an option to allow dispensaries to take deductions for payroll and cost of goods, no jurisdiction has taken this approach. Also, staff received a late email (see Attachment 2) during the conclusion of the report preparation, providing estimated payroll and cost of goods information for staff to evaluate the financial implications, comparable to a reduction from 10% to 5% cannabis tax. Per the email and in discussion with the applicant, the equivalent of allowing deductions for payroll and cost of goods is having a tax rate between 3.4 to 4%. So, the applicant is now requesting consideration for a 4% cannabis tax rate as an alternative to the deduction option.

As for the reduction of cannabis taxes from 10% to 4%, this would mean the City would collect only 40% of the amount previously collected. For example, in Fiscal Year 2020-21, the City collected \$5.7M in cannabis taxes and a reduction from 10% to 4% would have resulted in a reduction of cannabis revenue from \$5.7M down to \$2.28M. The finance staff has also compared the payroll and cost of goods deductions versus the 10% cannabis tax and determined that since these types of costs are variable, meaning that they cannot be determined by staff, but rather, will be computed by the dispensaries, it is very difficult to determine a cost differential. It is for this reason that staff does not recommend this approach.

Staff will present the City Council with various options including what revenues currently are under the 10% tax rate format, the 4% equivalent tax rate for costs of goods sold and payroll, and a mid-range option that would serve as the mid-point between the 10% and 4% tax rate. For example, the mid-point for cannabis taxes would be a 7% tax rate and under this assumption, revenues would decrease by 30% of what we are currently receiving. Using the same example from Fiscal Year 2020-21, revenues under this model would decrease from \$5.7M down to about \$4M.

Also, it should be noted in February 2019, the Council adopted Resolution 5448, which allowed cannabis dispensaries to deduct from their reported proceeds the amount they collected in sales and use taxes and excises taxes from their consumers and pay to the State. For example, if a business's proceeds are \$1,000 with \$10 of those proceeds are sales and use taxes and excise taxes, it may deduct the \$10 from the \$1,000 resulting in \$990. The \$990 will then be utilized to calculate the taxes owed to the City:

Total Reported Proceeds (including Sales and Use Taxes and Excise Taxes):	\$1,000.00
Total Sales and Use Taxes and Excise Taxes:	\$10.00
Taxable Proceeds after deduction of Sales and Use Taxes and Excise Taxes:	\$990.00

A reduction in Penalties for Underpayment of Taxes

The City of Perris penalty for underpayment of taxes due includes 25% of the amount plus 10% interest of unpaid tax calculated at the due date of the tax. This penalty for inaccurate payment of

taxes is comparable to the majority of the cities surveyed (i.e., 12 of the 17 jurisdictions surveyed: Cathedral City, Desert Hot Springs, Hemet, Hesperia, Long Beach, Palm Desert, Palm Springs, San Bernardino, San Diego, and San Jacinto). The lowest penalty was the City of Corona with a flat rate at 10%. See Attachment 1 for the penalties survey. Staff is recommending the penalty remain the same consistent with the majority of the cities surveyed.

Consolidation of Medical, Adult, and Lounge Applications Under one Fee Review; and Lower Fee

The City of Perris has an application review fee of \$13,008.45 for Medical, Adult, and Lounge applications which include the cost of yearly compliance and financial audit. Of the total fee, the City's \$11,500 represents the costs of the City's consultant and \$1,500 represents the staff costs related to reviewing the necessary submittal requirements, overseeing the process, and administration and implementation of the City's related regulatory program. The purpose of the deposit-based fee is to cover application processing and the applicant's share of the costs of administration and implementation of the City's related regulatory program.

The City's review cost is significantly lower than the neighboring jurisdictions. See Attachment 1 survey. Also, after the initial review, when operators renew their license staff has allowed the consolidation of the Medical and Adult-Use Dispensaries, in consultation with HDL (the City's audit consultant), the compliance and financial audit could be covered under one application fee. In regard to the cannabis lounge application, HDL has confirmed consolidating the application with the renewal application could also be covered under one application fee. Therefore, staff is recommending with the renewal, the consolidation of Medical, Adult and Lounge operations could be under one application.

RECOMMENDATION:

A presentation on this topic with an accompanying PowerPoint will be provided at the April 26, 2022, business item. Upon hearing all the information presented, the City Council is asked to consider and discuss potentially reducing the cannabis taxes, penalties for taxes due, and fee reduction for medical, adult and lounge fee applications as part of an Ordinance update.

BUDGET (or FISCAL) IMPACT: Cannabis revenue is budgeted in the General Fund and a reduction in dispensary taxes from 10% to 5%, or the option to allow dispensaries to take a deduction for payroll and costs of goods sold would create a reduction in revenues. For the 5% example, this amount would be reduced by 50%; however, it will be difficult to predetermine the reduction in revenues utilizing a variable component such as a reduction in payroll and costs of goods sold.

Prepared by: Kenneth Phung, Director of Development Services

REVIEWED BY:

City Attorney _____

Assistant City Manager _____

Deputy City Manager ER

- Attachments:
1. Survey of Taxes, Penalties, and Application Fees for Cannabis Operations
 2. Email dated April 19, 2022, for Tax Deduction Request

Consent:

Public Hearing:

Business Item: X

Presentation:

Other:

Attachment 1

Survey of Taxes, Penalties, and Application Fees for Cannabis Operations

City	2018 Tax Rate	2022 Tax Rate	Penalty for Late & Inaccurate Payment of Tax	Separate Applications for Adult-Use/Medical/Lounge & Fees	Compliance & Financial Audit Fee
Perris	10%	10% (deductions for state excise tax)	25% of the amount of tax + 10% interest of unpaid tax calculated from the due date of the tax	Yes \$13,008.45 Medical (<i>includes audit</i>) \$13,008.45 Adult (<i>includes audit</i>) \$13,008.45 Lounge (<i>includes audit</i>)	HdL Included in permit
Banning	N/A	10%	N/A	No (<i>Lounge not permitted</i>) \$15,000 (<i>\$5,000 Cannabis Regulatory Permit + \$10,000 CUP deposit</i>)	N/A
Cathedral City	10%	10%	25% of the amount of tax & 1/2% interest per month	No \$15,000 (<i>\$7,500 deposit for Adult Use & Medical, \$4,500 Lounge License and \$3,000 Conditional Use Permit + \$3,500 for additional applicant with 10% ownership stake</i>)	N/A
Coachella	up to 6%	Negotiable up to 6%. Established tax rates vary depending on business type and developer agreements specific to individual businesses.	25% penalty on the amount of tax & 0.005% interest per month	Yes \$8,867 (<i>\$2,500 Adult Use/Medical, \$2,500 Lounge, and \$3,857 + \$10 per acre Conditional Use Permit</i>)	N/A Fee negotiated by the City through a third-party CPA
Corona	N/A	Negotiable up to 7% based on Community Benefits Agreement	10% penalty on the amount due	No \$15,292 (<i>\$9,948 Cannabis Permit, \$4,50 merit-based review, and \$844 Lounge</i>) \$1,890 annual renewal	N/A Fee negotiated by the City through a third-party CPA
County of Riverside	N/A	Development Agreement plus \$16 per SF up to 2,500 SF \$18 per SF for 2,501 SF to 6,000 SF \$20 per SF > 6,001 SF	N/A	No (<i>Lounge not permitted</i>) \$14,751.24 (<i>\$9,646.14 + \$5.10 per lot or site Conditional Use Permit + \$5,100 Development Agreement</i>)	N/A

City	2018 Tax Rate	2022 Tax Rate	Penalty for Late & Inaccurate Payment of Tax	Separate Applications for Adult-Use/Medical/Lounge & Fees	Compliance & Financial Audit Fee
Desert Hot Springs	10%	10%	25% of the total amount due & 10% added on the first day of each calendar month—up to a maximum of 100 percent of the tax payable on the due date.	No \$6,450 (<i>Dispensary Regulatory Permit</i>)	N/A
Hemet	N/A	8%	25% of the total amount due & interest rate (undetermined).	No (<i>Lounge not permitted</i>) \$8,500 (<i>Dispensary Regulatory Permit</i>)	N/A
Hesperia	N/A	4%	25% of the total amount + 1% interest per month, not to exceed 12% annually	No (<i>Lounge not permitted</i>) \$6,628 (<i>\$4,500 Medical Cannabis Delivery Business Application, & \$2,128 Medicinal Cannabis Delivery</i>)	HdL N/A
Lake Elsinore	N/A	Community Benefits Agreement plus \$18.72 per SF and 4% annual increase	5% to past due Community Benefits Fees + 18% interest per annum (1.5%/month)	No (<i>Lounge not permitted</i>)	N/A
Moreno Valley	N/A	8%	10% of the amount due and an additional 0.005% interest rate each subsequent month	No (<i>Lounge not permitted</i>) \$9,551 - Application Fee - \$9,551 \$58,356 - Annual Permit Fee - \$58,356 \$1,556 - Interview Fee \$20,000 - Annual Community Benefit Fee	HdL Cost included in annual renewal
Long Beach	6% (Med.) 8% (Adult Use)	6% (Med.) 8% (Adult Use)	25% of the amount due and additional 10% each month following the month of the imposition of the 25% (25% - 35% - 45% - 55%, up to 100%)	Yes (<i>Lounge not permitted</i>) \$6,052.55 plus number of owners 1 owner - \$212.55, 2 owners - \$367.55, 3 owners - \$522.55, 4 owners - \$677.55, 5 owners - \$832.55, 6 owners - \$987.55	N/A

City	2018 Tax Rate	2022 Tax Rate	Penalty for Late & Inaccurate Payment of Tax	Separate Applications for Adult-Use/Medical/Lounge & Fees	Compliance & Financial Audit Fee
Palm Desert	N/A	10%	25% of the amount due, plus 1% interest on the unpaid tax calculated from the due date An additional penalty equal to 25% if the tax remains unpaid for a period exceeding thirty calendar days beyond the due date, plus 1% interest on the unpaid tax	No \$2,894 Conditional Use Permit	N/A
Palm Springs	10%	10%	25% of the amount due. An additional 25% and 1% interest per month on unpaid tax, fees, and penalties in subsequent months	Yes Per Application Fee / Renewal Fee Current Fee - \$ 6,389 / \$4,328 July 1, 2022 - \$ 8,687 / \$7,656 July 1, 2023 - \$10,984 / \$10,984	In-house review
San Bernardino	N/A	4%	10% of the amount due and 1% interest on unpaid tax. Additional 25% of the amount plus 1% interest of unpaid tax one calendar month after the due date. 1% interest rate will accrue for each month thereafter until tax is paid in full.	No (<i>Lounge not permitted</i>) \$7,626 Permit Fee	In-house review (<i>Fee Included as part of the annual Cannabis Business Permit fee</i>)
San Diego	5%	8%	25% of the amount due. If unpaid after one calendar month, an additional 1.5% interest rate on unpaid tax and amount owed per month thereafter	No (<i>Lounge not permitted</i>) \$1,2000 - Conditional Use Permit	N/A

City	2018 Tax Rate	2022 Tax Rate	Penalty for Late & Inaccurate Payment of Tax	Separate Applications for Adult-Use/Medical/Lounge & Fees	Compliance & Financial Audit Fee
San Jacinto	N/A	15%	25% of the amount due. Additional penalty of 25% and 1% interest rate for up to one year if the tax remains unpaid for a period exceeding one calendar month beyond the due date.	No (<i>Lounge not permitted</i>) \$14,000 - Existing Development \$17,000 - New Development	N/A

Attachment 2

Email dated April 19, 2022, for Tax
Deduction Request

From: [Joshua Naggar](#)
To: [Kenneth Phung](#)
Cc: [Ernie Revna](#)
Subject: RE: Commercial Cannabis Retail Tax Issue - Deductions
Date: Tuesday, April 19, 2022 1:32:17 PM

Proportions requested:

One of the shops gave us their first quarter data on:

1. Taxable sales revenues (the number they report to Perris for taxation)
2. Costs of goods (inventory)
3. And labor

They are:

1. 2,200,317.62 for taxable revenues in the quarter
2. 1, 218,260. Inventory costs. Cost of goods sold.
3. 240,592.09 (labor+payroll expenses)

Proportions:

Inventory is typically marked up 1.8 (state mandatory minimum markup that tax has to be paid on even if good sells for less or expires (yes they make them do this))= %55 of the revenue.

Labor is on average: 11% of the revenue

Inventory and labor combine to be on average 66% of the gross taxable revenue.

So my initial figures were incorrect and its higher than I thought. Meaning an equivalent tax rate for this deduction would be 3.4-4% .

Thank you and I hope this helps,

Joshua

Joshua D. Naggar, Esq.
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Past President PVCC (Perris Valley Chamber of Commerce)
Riverside County Work Force Development Board Member
President of the Friends of the SoCal Fair
Dir. Cannabis Chamber of Commerce- Inland Empire

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