



**TEHACHAPI VALLEY
RECREATION AND PARK DISTRICT
490 WEST D STREET, TEHACHAPI, CA 93561**

**REGULAR BOARD MEETING
TUESDAY, APRIL 23, 2019, 5:30 P.M.**

BOARD OF DIRECTORS

LAURA LYNNE WYATT, CHAIRPERSON
KALEB JUDY, DIRECTOR
IAN STEELE, DIRECTOR
WES BACKES, DIRECTOR
CRISTIN LASSEN, DIRECTOR

A G E N D A

1. FLAG SALUTE

2. ROLL CALL

3. PUBLIC COMMENTS

The Tehachapi Valley Recreation and Park District Board of Directors welcome public comments on any items within the subject matter jurisdiction of the District. We respectfully request that this public forum be utilized in a positive and constructive manner. Items addressed during Public Comment section are generally matters not included on the posted agenda and therefore the Board will take no action at this meeting. Such items, however, may be added to a future meeting's agenda. Speakers are limited to two (2) minutes. Please state your name or organization represented, if any, before making presentation. Thank you.

4. CONSENT CALENDAR

All items listed on the Consent Calendar shall be considered routine and will be enacted by one vote. There will be no separate discussion of these items unless a member of the Board request specific items to be removed from the Consent Calendar for separate action.

A. Clerk Declaration of Posting of Agenda 72 Hours in Advance of Meeting (Page 3).

B. Approval of Minutes from the Regular Board Meeting held March 12, 2019 (Pages 4-8).

C. Approval of the Preliminary Financial Reports for January and February 2019 (Pages 9-24).

5. RECREATION SUPERVISOR REPORT

6. OPERATIONS MANAGER REPORT

7. DISTRICT MANAGER REPORT

8. AGENDA ITEMS

A. Annual Audit Engagement Fees and Contract – Discussion/Approval, Resolution #1-19 (Pages 25-47).

9. CLOSED SESSION

- a. Public Employee Appointment
Title: Interim General Manager – Government Code Section 54957 (b)

10. BOARD OF DIRECTORS' TIME

Opportunity for the Board to comment on items not listed on the agenda.

11. ADJOURNMENT

Adjourn to the next Regular Meeting of the Board of Directors of the Tehachapi Valley Recreation and Park District scheduled on May 21, 2019.



CERTIFICATE OF POSTING AGENDA

I, the Clerk of the Tehachapi Valley Recreation and Park District Board of Directors hereby certify that a copy of the April 23, 2019, Regular Board Meeting Agenda was posted at the following public places within the District on Friday, April 19, 2019, at 5:30 P.M. approximately:

- TVRPD District Office, 490 West D Street, Tehachapi, California 93561
- The TVRPD Web site at www.tvrpd.org

The agenda and related documents were also provided to the Tehachapi Valley Recreation and Park District Board of Directors on the 19th day of April 2019.

Dated this 19th day of April 2019.

Carrie Champlin
Carrie Champlin
Clerk of the Board of Directors

**MINUTES OF THE REGULAR BOARD MEETING
OF THE TEHACHAPI VALLEY RECREATION AND PARK DISTRICT
490 WEST D STREET, TEHACHAPI, CALIFORNIA 93561
TUESDAY MARCH 12, 2019, 5:30 P.M.**

CALL TO ORDER: Board Meeting Convened By Chairperson Wyatt at 5:31 P.M.

BOARD MEMBERS

Laura Lynne Wyatt, Chairperson
Ian Steele, Vice-Chairperson
Kaleb Judy, Director
Wes Backes, Director
Cristin Lassen, Director

1. FLAG SALUTE: Kaleb Judy led the flag salute.

2. ROLL CALL: All Present.

3. PUBLIC COMMENTS:

One member of the public spoke.

4. CONSENT CALENDAR

A. Secretary Declaration of Posting of Agenda 72 hours in Advance of Meeting Held.

Declaration by the Clerk of the Board of Directors that the agenda was posted at least 72 hours in advance of meeting. **BOARD APPROVED SECRETARY DECLARATION.**

Steele – Judy: Ayes: Steele; Wyatt; Judy; Backes; Lassen

Noes: None. Motion carried.

Absent: None.

B. Approval of Minutes from the Regular Board Meeting held January 15, 2019.

BOARD APPROVES THE MINUTES FROM THE REGULAR BOARD MEETING HELD ON JANUARY 15, 2019.

Steele – Judy: Ayes: Steele; Wyatt; Judy; Backes; Lassen

Noes: None. Motion carried.

Absent: None.

C. Approval of Minutes from the Special Board Meeting held January 22, 2019.

BOARD APPROVES THE MINUTES FROM THE SPECIAL BOARD MEETING HELD ON JANUARY 22, 2019.

Steele – Judy: Ayes: Steele; Wyatt; Judy; Backes; Lassen

Noes: None. Motion carried.

Absent: None.

D. Approval of the Preliminary Financial Reports for December, 2018.

BOARD APPROVES THE PRELIMINARY FINANCIAL REPORTS FOR DECEMBER 2018.

Steele – Judy; Ayes: Steele; Wyatt; Judy; Backes; Lassen

Noes: None. Motion carried.

Absent: None.

E. Approval of the 2019 Contract Between Tehachapi Valley Recreation and Park District and Barracuda Swim Team.

BOARD APPROVES THE 2019 CONTRACT BETWEEN TEHACHAPI VALLEY RECREATION AND PARK DISTRICT AND THE BARRACUDA SWIM TEAM.

Steele – Judy; Ayes: Steele; Wyatt; Judy; Backes; Lassen

Noes: None. Motion carried.

Absent: None.

5. RECREATION SUPERVISOR REPORT

Recreation Supervisor Corey Torres gave the report.

- Youth Basketball playoffs and championship game will be this weekend.
- April is busy month with pool start up, Easter Egg Hunt, T-Ball, and the Brite Lake Fishing Derby.
- Torres will be teaching lifeguards and staff CPR and AED certification classes.
- Work continues on the spring and summer programs.

6. OPERATIONS MANAGER REPORT

Operations Manager Bill Fisher gave the report.

- Brite Lake: working on campsites, made a drag for road repair. Thank you to World Wind Solar for the donation of materials. Working on dock repairs, and tractor repairs. Installation of the new playground equipment is completed. Tehachapi Rotary Club donated 35 trees to be planted at Brite Lake.
- West Park preparation for Little League's opening day. Trimmed 120 trees. Chairperson Wyatt thanked the maintenance staff for all their hard work at West Park.

7. DISTRICT MANAGER REPORT

District Manager Vance gave the report.

- Met with Sand Canyon volunteers.
- GranFondo planning is in full swing. Registration opened in February. We will be revealing this year's jersey at TK's Pizza.
- Attended a Proposition 68 meeting. Working on Proposition 68 with Corey Torres.
- Working on implementing a Park Angel program with TPF.

8. AGENDA ITEMS

A. Election of Officers for the Tehachapi Valley Recreation and Park District's Board of Directors.

Director Backes nominated Ian Steele for Chairperson.

BOARD ELECTS IAN STEELE CHAIRPERSON OF THE BOARD OF DIRECTORS OF THE TEHACHAPI VALLEY RECREATION AND PARK DISTRICT.

Backes – Lassen: Ayes: Steele; Wyatt; Judy; Backes; Lassen

Noes: None. Motion carried.

Absent: None.

Chairperson Ian Steele nominated Laura Lynne Wyatt for Vice-Chairperson.

BOARD ELECTS LAURA LYNNE WYATT VICE-CHAIRPERSON OF THE BOARD OF DIRECTORS OF THE TEHACHAPI VALLEY RECREATION AND PARK DISTRICT.

Steele – Lassen: Ayes: Steele; Wyatt; Judy; Backes; Lassen

Noes: None. Motion carried.

Absent: None.

B. MNS Engineers Fee Proposal Proposition 68 Statewide Park Development and Community Revitalization Program West Park Acquisition and Enhancements Project Approving the District Manager to Spend an Amount not to Exceed \$5,000.00.– Discussion/Approval.

BOARD APPROVES MNS ENGINEERS FEE PROPOSAL PROPOSITION 68 STATEWIDE PARK DEVELOPMENT AND COMMUNITY REVITALIZATION PROGRAM WEST PARK ACQUISITION AND ENHANCEMENTS PROJECT APPROVING THE DISTRICT MANAGER TO SPEND AN AMOUNT NOT TO EXCEED \$5000.00.

Steele – Backes: Ayes: Steele; Wyatt; Judy; Backes; Lassen

Noes: None. Motion carried.

Absent: None.

C. MNS Engineers Fee Proposal Proposition 68 Statewide Park Development and Community Revitalization Program Central Park Acquisition and Enhancements Project Approving the District Manager to Spend an Amount not to Exceed \$5,000.00.– Discussion/Approval.

BOARD APPROVES MNS ENGINEERS FEE PROPOSAL PROPOSITION 68 STATEWIDE PARK DEVELOPMENT AND COMMUNITY REVITALIZATION PROGRAM CENTRAL PARK ACQUISITION AND ENHANCEMENTS PROJECT APPROVING THE DISTRICT MANAGER TO SPEND AN AMOUNT NOT TO EXCEED \$5000.00.

Judy – Lassen: Ayes: Steele; Wyatt; Judy; Backes; Lassen

Noes: None. Motion carried.

Absent: None.

D. MNS Engineers Fee Proposal Proposition 68 Statewide Park Development and Community Revitalization Program Meadowbrook Park Enhancements Project Approving the District Manager to Spend an Amount not to Exceed \$4,200.00.– Discussion/Approval.

BOARD APPROVES MNS ENGINEERS FEE PROPOSAL PROPOSITION 68
STATEWIDE PARK DEVELOPMENT AND COMMUNITY REVITALIZATION
PROGRAM MEADOWBROOK PARK ACQUISITION AND ENHANCEMENTS
PROJECT APPROVING THE DISTRICT MANAGER TO SPEND AN AMOUNT
NOT TO EXCEED \$4200.00.

Steele – Backes: Ayes: Steele; Wyatt; Judy; Backes; Lassen
Noes: None. Motion carried.
Absent: None.

E. MNS Engineers Fee Proposal for Grant Writing Services Tehachapi Valley Recreation and Park District Application to United States Department of Agriculture (USDA) Rural Development Agency Approving the District Manager to Spend an Amount not to Exceed \$10,400.00. – Discussion/Approval.

BOARD APPROVES MNS ENGINEERS FEE PROPOSAL FOR GRANT WRITING
SERVICES TEHACHAPI VALLEY RECREATION AND PARK DISTRICT APPLICATION
TO UNITED STATES DEPARTMENT OF AGRICULTURE (USDA) RURAL
DEVELOPMENT AGENCY APPROVING THE DISTRICT MANAGER TO SPEND AN
AMOUNT NOT TO EXCEED \$10,400.00.

Steele – Backes: Ayes: Steele; Wyatt; Judy; Backes; Lassen
Noes: None. Motion carried.
Absent: None.

9. CLOSED SESSION:

- a. Public Employee Performance Evaluation – General Manager
Government Code Section 54957 (b)(1)

MOTION TO ADJOURN TO CLOSED SESSION AT 6:40 P.M.

Steele – Backes: Ayes: Steele; Wyatt; Judy; Backes; Lassen
Noes: None. Motion carried.
Absent: None.

MOTION TO RECONVENE FROM CLOSED SESSION AT 7:18 P.M.

Steele – Backes: Ayes: Steele; Wyatt; Judy; Backes; Lassen
Noes: None. Motion carried.
Absent: None.

Report on Closed Session:

Board approved new agreement for District Manager Vance. Two changes were made to the agreement. Ten more hours of vacation time per year were added and the mileage restriction was taken off the company vehicle. These changes were requested by District Manager Vance in lieu of any additional compensation. The changes to her agreement were approved unanimously.

Steele – Backes: Ayes: Steele; Wyatt; Judy; Backes; Lassen
Noes: None. Motion carried.
Absent: None.

9. BOARD OF DIRECTORS TIME: Director Judy thanked District Manager Vance for her service to the District. Director Judy requested that we put auditor approval on the next agenda. Chairperson Steele thanked the community for attending. Director Backes stated he is looking forward to few months at TVRPD.

10. ADJOURNMENT

Having no further business the meeting was adjourned at 7:30 P.M. to the Regular Board meeting of the Directors of Tehachapi Valley Recreation and Park District scheduled on April 23, 2019.

Steele – Judy: Ayes: Steele; Wyatt; Judy; Backes; Lassen

Noes: None. Motion carried.

Absent: None.

Respectfully Submitted,

Carrie Champlin
Carrie Champlin, Clerk of the Board



Tehachapi Valley Recreation and Park District

BALANCE SHEET

As of January 31, 2019

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
1000 Cash in County Treasury General Fund	461,719.38
1004 Check BOTS 4470	64,593.43
1005 County Treasury Capital Projects Fund	104,099.49
1007 Square Inc	20.42
1051 Change Fund	1,100.00
1100 Petty Cash Fund	400.00
Total Bank Accounts	\$631,932.72
Accounts Receivable	
1200 Accounts Receivable	30,894.00
Total Accounts Receivable	\$30,894.00
Other Current Assets	
1070 Prepaid Expenses	11,088.80
1092 Credit Card Receivables	2,800.00
1210 Inventory Asset	3,879.54
Total Other Current Assets	\$17,768.34
Total Current Assets	\$680,595.06
Fixed Assets	
1150 Land	166,734.76
1161 Building	540,391.52
1162 Improvements	3,049,721.76
1163 Equipment	1,047,689.22
1163.1 Equipment Not Placed In Service	55,257.78
1166 Furniture & Fixtures	27,502.88
1167 Machinery	48,662.24
1170 Accumulated Depreciation	-2,854,505.00
1180 Fleet Vehicles and Equipment	162,109.22
Total Fixed Assets	\$2,243,564.38
Other Assets	
1901 DOR-Employee Contribution after MD	30,756.00
1903 DOR-Difference in Properties	26,746.00
1904 DOR-Difference in Experience	909.00
1906 DOR-Return on Investment	58,067.00
Total Other Assets	\$116,478.00
TOTAL ASSETS	\$3,040,637.44
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	

	TOTAL
Accounts Payable	
2000 Accounts Payable-General Fund	8,076.53
Total Accounts Payable	\$8,076.53
Credit Cards	
2010 Cardmember Services Payable	12,216.03
2014 Home Depot Payable	1,149.80
Total Credit Cards	\$13,365.83
Other Current Liabilities	
2024 Accrued Vacation, Sick, & Comp Time	39,671.73
2200 Suspense	-24.99
2207 Sales tax payable	108.06
2210 Payroll Liabilities	515.81
2270 Refundable Deposits	1,000.00
Total Other Current Liabilities	\$41,270.61
Total Current Liabilities	\$62,712.97
Long-Term Liabilities	
2310 Loan Payable 2016	508,744.00
2900 Net Pension Liability	177,761.00
2902 DIR-Difference in Contributions	29,082.00
2903 DIR-Difference in Proportion	47,082.00
2905 DIR-Changes in Assumption	11,157.00
Total Long-Term Liabilities	\$773,826.00
Total Liabilities	\$836,538.97
Equity	
3010 Net Investment In Capital Assets	2,580,724.25
3020 Restricted Funds	313,827.71
3030 Unrestricted Funds	-1,008,101.77
3110 Retained Earnings	315,088.51
Net Income	2,559.77
Total Equity	\$2,204,098.47
TOTAL LIABILITIES AND EQUITY	\$3,040,637.44



Tehachapi Valley Recreation and Park District

PROFIT & LOSS PRIOR YEAR COMPARISON

January 2019

	TOTAL			
	JAN 2019	JAN 2018 (PY)	CHANGE	% CHANGE
Income				
4010 Property Taxes	15,620.03	17,493.33	-1,873.30	-10.71 %
4020 Interest Income	541.76	573.70	-31.94	-5.57 %
4020.1 Interest Income Cap Proj Fund	118.97	47.31	71.66	151.47 %
4030 Adult Program Revenues	568.84	589.00	-20.16	-3.42 %
4050 Facility Revenue	6,146.00	9,873.38	-3,727.38	-37.75 %
4200 Contracted Classes Revenues	5,294.50	4,257.50	1,037.00	24.36 %
4210 Events Revenues	80.00	5,735.00	-5,655.00	-98.61 %
4213 Operational Grants	10,000.00	6,000.00	4,000.00	66.67 %
4216 Scholarship Donations		5.00	-5.00	-100.00 %
4300 Youth Program Revenues	7,776.00	2,779.50	4,996.50	179.76 %
4650 Discounts given	-145.00	-17.80	-127.20	-714.61 %
4690 Other Income	100.00		100.00	
Total Income	\$46,101.10	\$47,335.92	\$ -1,234.82	-2.61 %
Cost of Goods Sold				
5001 Adult Program Costs	168.91		168.91	
5002 Fish Stocking		5,000.00	-5,000.00	-100.00 %
5004 Contracted Classes Costs	1,053.58	2,763.21	-1,709.63	-61.87 %
5005 Events Costs	8,046.66	1,504.67	6,541.99	434.78 %
5008 Youth Program Costs	643.80	4,938.10	-4,294.30	-86.96 %
5110 Scholarship Fund Expense	229.50	189.00	40.50	21.43 %
Total Cost of Goods Sold	\$10,142.45	\$14,394.98	\$ -4,252.53	-29.54 %
GROSS PROFIT	\$35,958.65	\$32,940.94	\$3,017.71	9.16 %
Expenses				
6000 Employee Costs	60,170.11	47,177.99	12,992.12	27.54 %
7010 Advertising & Marketing	1,821.86	3,552.28	-1,730.42	-48.71 %
7020 Bank Service Charges	710.16	635.51	74.65	11.75 %
7030 Dues & Subscriptions	140.00	565.00	-425.00	-75.22 %
7035 Equipment Rents & Leases		170.52	-170.52	-100.00 %
7050 Insurance	2,217.70	1,982.67	235.03	11.85 %
7056 Interest Expense	64.79		64.79	
7060 Licenses & Fees	788.42	219.00	569.42	260.01 %
7070 Maintenance	3,147.03	5,564.17	-2,417.14	-43.44 %
7084 Meals & Entertainment	324.18	206.37	117.81	57.09 %
7090 Office Supplies	1,140.43	511.32	629.11	123.04 %
7120 Professional Development	210.00	110.00	100.00	90.91 %
7150 Professional Fees	5,865.00	3,264.13	2,600.87	79.68 %
7180 Security	1,380.15	329.96	1,050.19	318.28 %
7210 Telephone and Internet	534.05	923.97	-389.92	-42.20 %
7250 Utilities	4,971.66	3,355.46	1,616.20	48.17 %
Total Expenses	\$83,485.54	\$68,568.35	\$14,917.19	21.76 %
NET OPERATING INCOME	\$ -47,526.89	\$ -35,627.41	\$ -11,899.48	-33.40 %

	TOTAL			
	JAN 2019	JAN 2018 (PY)	CHANGE	% CHANGE
Other Income				
8020 Insurance Settlement Proceeds	1,324.92		1,324.92	
8040 TVRPD Development Fee Revenues	6,411.00	4,274.00	2,137.00	50.00 %
Total Other Income	\$7,735.92	\$4,274.00	\$3,461.92	81.00 %
NET OTHER INCOME	\$7,735.92	\$4,274.00	\$3,461.92	81.00 %
NET INCOME	\$ -39,790.97	\$ -31,353.41	\$ -8,437.56	-26.91 %



Tehachapi Valley Recreation and Park District

STATEMENT OF CASH FLOWS

January 2019

	TOTAL
OPERATING ACTIVITIES	
Net Income	-39,790.97
Adjustments to reconcile Net Income to Net Cash provided by operations:	
1200 Accounts Receivable	-10,795.00
1070 Prepaid Expenses	-11,088.80
1092 Credit Card Receivables	-492.00
2000 Accounts Payable-General Fund	-35,825.24
2010 Cardmember Services Payable	7,694.55
2014 Home Depot Payable	-1,035.69
2200 Suspense	-24.99
2207 Sales tax payable	-17.28
2211 Payroll Liabilities:CalPERS Payable	-1,855.16
2231 Payroll Liabilities:Health Plan Payable	-635.04
2241 Payroll Liabilities:AFLAC Payable	-190.46
2250 Payroll Liabilities:Payroll Tax Liabilities	-4,313.38
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	-58,578.49
Net cash provided by operating activities	\$ -98,369.46
FINANCING ACTIVITIES	
3022 Restricted Funds:Capital Projects	6,418.87
3030 Unrestricted Funds	-6,418.87
Net cash provided by financing activities	\$0.00
NET CASH INCREASE FOR PERIOD	\$ -98,369.46
Cash at beginning of period	730,302.18
CASH AT END OF PERIOD	\$631,932.72

Tehachapi Valley Recreation and Park District

BUDGET VS. ACTUALS: TVRPD BUDGET 2018/2019

July 2018 - January 2019

	TOTAL			
	ACTUAL	BUDGET	REMAINING	% REMAINING
Income				
4010 Property Taxes	485,497.81	520,581.81	35,084.00	6.74 %
4020 Interest Income	5,129.37	1,675.31	-3,454.06	-206.17 %
4020.1 Interest Income Cap Proj Fund	465.91		-465.91	
4030 Adult Program Revenues	17,600.16	21,700.07	4,099.91	18.89 %
4050 Facility Revenue	88,796.38	84,423.50	-4,372.88	-5.18 %
4200 Contracted Classes Revenues	24,438.00	23,013.13	-1,424.87	-6.19 %
4210 Events Revenues	89,638.34	66,852.31	-22,786.03	-34.08 %
4213 Operational Grants	16,804.00	62,008.31	45,204.31	72.90 %
4216 Scholarship Donations	73.00	875.00	802.00	91.66 %
4300 Youth Program Revenues	79,287.55	76,408.36	-2,879.19	-3.77 %
4610 Billable Expense Income	7,174.06	3,500.00	-3,674.06	-104.97 %
4650 Discounts given	-3,212.00	-2,508.31	703.69	-28.05 %
4690 Other Income	300.00		-300.00	
4704 Sales				
4703 Food Sales-Taxable	45.68	140.00	94.32	67.37 %
4705 Food Sales Non Taxable	137.45	428.75	291.30	67.94 %
4709 Soda Sales-Taxable	32.63	58.31	25.68	44.04 %
Total 4704 Sales	215.76	627.06	411.30	65.59 %
Total Income	\$812,208.34	\$859,156.55	\$46,948.21	5.46 %
Cost of Goods Sold				
5001 Adult Program Costs	3,819.78	5,194.00	1,374.22	26.46 %
5002 Fish Stocking		5,833.31	5,833.31	100.00 %
5004 Contracted Classes Costs	19,090.88	17,995.81	-1,095.07	-6.09 %
5005 Events Costs	114,279.17	89,632.20	-24,646.97	-27.50 %
5008 Youth Program Costs	17,092.84	20,335.00	3,242.16	15.94 %
5110 Scholarship Fund Expense				
5115 Chavez Scholarship Fund	1,317.50	641.69	-675.81	-105.32 %
5117 Walter Dye Scholarship Fund	1,153.50	641.69	-511.81	-79.76 %
Total 5110 Scholarship Fund Expense	2,471.00	1,283.38	-1,187.62	-92.54 %
5704 Purchases for Resale				
5701 Beer Purchases	2,300.00	262.50	-2,037.50	-776.19 %
5703 Food Purchases	115.74	233.31	117.57	50.39 %
5709 Soda Purchases	35.35	116.69	81.34	69.71 %
Total 5704 Purchases for Resale	2,451.09	612.50	-1,838.59	-300.18 %
Total Cost of Goods Sold	\$159,204.76	\$140,886.20	\$ -18,318.56	-13.00 %
GROSS PROFIT	\$653,003.58	\$718,270.35	\$65,266.77	9.09 %
Expenses				
6000 Employee Costs				
6010 Wages & Salaries	314,660.59	323,614.13	8,953.54	2.77 %
6020 Employee Taxable Allowances	5,753.31	5,366.69	-386.62	-7.20 %
6050 Benefits	-363.22		363.22	

	TOTAL			
	ACTUAL	BUDGET	REMAINING	% REMAINING
6051 Employee MedDentalVisLife	21,145.86	26,250.00	5,104.14	19.44 %
6055 Employee Retirement CalPERS	20,753.56	24,500.00	3,746.44	15.29 %
6056 CalPERS Unfunded Liability Valuation	10,744.00	7,620.69	-3,123.31	-40.98 %
6058 Employer Taxes	29,611.33	29,166.69	-444.64	-1.52 %
6060 Reimbursed Employee Expenses		583.31	583.31	100.00 %
6070 Vacation, Sick, & Admin Leave		875.00	875.00	100.00 %
6090 Worker's Compensation Insurance	29,203.76	13,416.69	-15,787.07	-117.67 %
Total 6050 Benefits	111,095.29	102,412.38	-8,682.91	-8.48 %
Total 6000 Employee Costs	431,509.19	431,393.20	-115.99	-0.03 %
7010 Advertising & Marketing	23,978.14	18,083.31	-5,894.83	-32.60 %
7020 Bank Service Charges	8,410.78	5,891.69	-2,519.09	-42.76 %
7025 Cash Short/Over	10.00		-10.00	
7026 Charitable Contribution	16,700.00	1,283.31	-15,416.69	-1,201.32 %
7030 Dues & Subscriptions	5,772.11	4,083.31	-1,688.80	-41.36 %
7035 Equipment Rents & Leases				
7036 Maintenance Equipment Rental		583.31	583.31	100.00 %
7037 Office Equipment Rental	743.25	2,041.69	1,298.44	63.60 %
Total 7035 Equipment Rents & Leases	743.25	2,625.00	1,881.75	71.69 %
7050 Insurance				
7051 Auto Insurance	2,836.16	2,916.69	80.53	2.76 %
7052 HUB Insurance	0.00	233.31	233.31	100.00 %
7053 Property Insurance	6,969.03	7,583.31	614.28	8.10 %
7055 Liability Insurance	6,230.50	4,666.69	-1,563.81	-33.51 %
Total 7050 Insurance	16,035.69	15,400.00	-635.69	-4.13 %
7056 Interest Expense	9,911.54	10,500.00	588.46	5.60 %
7060 Licenses & Fees	7,933.91	40,541.69	32,607.78	80.43 %
7070 Maintenance				
7071 Pool Chemicals	3,951.56	5,191.69	1,240.13	23.89 %
7072 Building & Park Maintenance	12,233.25	16,304.19	4,070.94	24.97 %
7073 Accessibility Upgrades		58.94	58.94	100.00 %
7074 Equipment Maintenance	4,316.33	4,141.62	-174.71	-4.22 %
7075 Fuel	6,565.25	5,541.69	-1,023.56	-18.47 %
7076 Janitorial Supplies	5,959.25	5,541.69	-417.56	-7.53 %
7077 Small Tools & Equipment	280.03	875.00	594.97	68.00 %
7078 Materials & Supplies	2,825.14	19,502.00	16,676.86	85.51 %
7079 Fleet Maintenance	5,556.28	2,916.69	-2,639.59	-90.50 %
Total 7070 Maintenance	41,687.09	60,073.51	18,386.42	30.61 %
7084 Meals & Entertainment	2,209.71	1,750.00	-459.71	-26.27 %
7090 Office Supplies	8,146.16	8,166.69	20.53	0.25 %
7120 Professional Development	570.00	4,375.00	3,805.00	86.97 %
7150 Professional Fees				
7151 Annual Audit	11,750.00	6,883.31	-4,866.69	-70.70 %
7152 Bookkeeping & Payroll	16,840.37	14,583.31	-2,257.06	-15.48 %
7153 Information Technology	3,260.50	4,958.31	1,697.81	34.24 %
7154 Feasibility Study Consults	40,565.86		-40,565.86	
7155 Legal	6,965.18	5,250.00	-1,715.18	-32.67 %
Total 7150 Professional Fees	79,381.91	31,674.93	-47,706.98	-150.61 %

	TOTAL			
	ACTUAL	BUDGET	REMAINING	% REMAINING
7160 Property Tax Collection Fee		8,166.69	8,166.69	100.00 %
7180 Security	4,021.29	2,333.38	-1,687.91	-72.34 %
7210 Telephone and Internet	6,631.81	7,000.00	368.19	5.26 %
7230 Uniforms & Apparel	1,008.43	1,750.00	741.57	42.38 %
7250 Utilities				
7252 Electric Service	28,607.10	23,537.43	-5,069.67	-21.54 %
7254 Gas Service	7,447.89	10,004.12	2,556.23	25.55 %
7256 Sanitation Services	5,160.38	8,108.31	2,947.93	36.36 %
7258 Water Service	7,431.90	4,989.81	-2,442.09	-48.94 %
Total 7250 Utilities	48,647.27	46,639.67	-2,007.60	-4.30 %
7299 Interest Expense KCA	4,700.45		-4,700.45	
Total Expenses	\$718,008.73	\$701,731.38	\$ -16,277.35	-2.32 %
NET OPERATING INCOME	\$ -65,005.15	\$16,538.97	\$81,544.12	493.04 %
Other Income				
8020 Insurance Settlement Proceeds	1,324.92		-1,324.92	
8040 TVRPD Development Fee Revenues	66,240.00		-66,240.00	
Total Other Income	\$67,564.92	\$0.00	\$ -67,564.92	0.00%
Other Expenses				
7290 Operational Reserve (Contingency)		58,333.31	58,333.31	100.00 %
8505 Quimby Expense		1,848.56	1,848.56	100.00 %
8507 Loan Principal Payments (2310)		28,992.81	28,992.81	100.00 %
Total Other Expenses	\$0.00	\$89,174.68	\$89,174.68	100.00 %
NET OTHER INCOME	\$67,564.92	\$ -89,174.68	\$ -156,739.60	175.77 %
NET INCOME	\$2,559.77	\$ -72,635.71	\$ -75,195.48	103.52 %



Tehachapi Valley Recreation and Park District

BALANCE SHEET

As of February 28, 2019

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
1000 Cash in County Treasury General Fund	372,213.86
1004 Check BOTS 4470	129,946.23
1005 County Treasury Capital Projects Fund	103,986.25
1051 Change Fund	1,100.00
1100 Petty Cash Fund	400.00
Total Bank Accounts	\$607,646.34
Accounts Receivable	
1200 Accounts Receivable	58,582.00
Total Accounts Receivable	\$58,582.00
Other Current Assets	
1070 Prepaid Expenses	9,671.04
1092 Credit Card Receivables	2,953.00
1210 Inventory Asset	3,879.54
Total Other Current Assets	\$16,503.58
Total Current Assets	\$682,731.92
Fixed Assets	
1150 Land	166,734.76
1161 Building	540,391.52
1162 Improvements	3,049,721.76
1163 Equipment	1,050,935.39
1163.1 Equipment Not Placed In Service	55,257.78
1166 Furniture & Fixtures	27,502.88
1167 Machinery	48,662.24
1170 Accumulated Depreciation	-2,854,505.00
1180 Fleet Vehicles and Equipment	162,109.22
Total Fixed Assets	\$2,246,810.55
Other Assets	
1901 DOR-Employee Contribution after MD	30,756.00
1903 DOR-Difference in Properties	26,746.00
1904 DOR-Difference in Experience	909.00
1906 DOR-Return on Investment	58,067.00
Total Other Assets	\$116,478.00
TOTAL ASSETS	\$3,046,020.47
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	

	TOTAL
2000 Accounts Payable-General Fund	7,244.43
Total Accounts Payable	\$7,244.43
Credit Cards	
2010 Cardmember Services Payable	16,622.81
2014 Home Depot Payable	336.00
Total Credit Cards	\$16,958.81
Other Current Liabilities	
2024 Accrued Vacation, Sick, & Comp Time	39,671.73
2200 Suspense	-24.99
2207 Sales tax payable	383.88
2210 Payroll Liabilities	3,974.99
2270 Refundable Deposits	1,000.00
Total Other Current Liabilities	\$45,005.61
Total Current Liabilities	\$69,208.85
Long-Term Liabilities	
2310 Loan Payable 2016	508,744.00
2900 Net Pension Liability	177,761.00
2902 DIR-Difference in Contributions	29,082.00
2903 DIR-Difference in Proportion	47,082.00
2905 DIR-Changes in Assumption	11,157.00
Total Long-Term Liabilities	\$773,826.00
Total Liabilities	\$843,034.85
Equity	
3010 Net Investment In Capital Assets	2,580,724.25
3020 Restricted Funds	313,714.47
3030 Unrestricted Funds	-1,007,988.53
3110 Retained Earnings	315,088.51
Net Income	1,446.92
Total Equity	\$2,202,985.62
TOTAL LIABILITIES AND EQUITY	\$3,046,020.47



Tehachapi Valley Recreation and Park District

PROFIT & LOSS PRIOR YEAR COMPARISON

February 2019

	TOTAL			
	FEB 2019	FEB 2018 (PY)	CHANGE	% CHANGE
Income				
4010 Property Taxes	10,496.73	16,758.80	-6,262.07	-37.37 %
4020 Interest Income	-2.25	163.65	-165.90	-101.37 %
4030 Adult Program Revenues	2,874.00	1,281.00	1,593.00	124.36 %
4050 Facility Revenue	11,608.00	7,399.50	4,208.50	56.88 %
4200 Contracted Classes Revenues	4,854.00	4,715.00	139.00	2.95 %
4210 Events Revenues	35,100.75	13,780.50	21,320.25	154.71 %
4213 Operational Grants	9,500.00	9,000.00	500.00	5.56 %
4216 Scholarship Donations		17.00	-17.00	-100.00 %
4300 Youth Program Revenues	8,109.00	8,132.18	-23.18	-0.29 %
4610 Billable Expense Income	-23.53		-23.53	
4650 Discounts given	-650.00	-573.10	-76.90	-13.42 %
Total Income	\$81,866.70	\$60,674.53	\$21,192.17	34.93 %
Cost of Goods Sold				
5004 Contracted Classes Costs	4,072.69	2,846.03	1,226.66	43.10 %
5005 Events Costs	-65.50	1,251.05	-1,316.55	-105.24 %
5008 Youth Program Costs	1,902.35	736.97	1,165.38	158.13 %
5110 Scholarship Fund Expense	562.50	269.50	293.00	108.72 %
Total Cost of Goods Sold	\$6,472.04	\$5,103.55	\$1,368.49	26.81 %
GROSS PROFIT	\$75,394.66	\$55,570.98	\$19,823.68	35.67 %
Expenses				
6000 Employee Costs	52,202.26	48,646.19	3,556.07	7.31 %
7010 Advertising & Marketing	2,498.95	7,224.97	-4,726.02	-65.41 %
7020 Bank Service Charges	767.14	570.80	196.34	34.40 %
7026 Charitable Contribution	2,000.00	1,000.00	1,000.00	100.00 %
7030 Dues & Subscriptions	70.00	570.00	-500.00	-87.72 %
7035 Equipment Rents & Leases	364.40	569.58	-205.18	-36.02 %
7050 Insurance	2,217.76	1,982.67	235.09	11.86 %
7060 Licenses & Fees	570.20	549.86	20.34	3.70 %
7070 Maintenance	5,433.51	6,819.49	-1,385.98	-20.32 %
7084 Meals & Entertainment	264.26		264.26	
7090 Office Supplies	1,485.13	314.93	1,170.20	371.57 %
7120 Professional Development		890.00	-890.00	-100.00 %
7150 Professional Fees	2,985.00	5,826.99	-2,841.99	-48.77 %
7180 Security	224.95	931.71	-706.76	-75.86 %
7210 Telephone and Internet	1,242.76	1,013.97	228.79	22.56 %
7230 Uniforms & Apparel	333.86		333.86	
7250 Utilities	3,847.33	6,829.81	-2,982.48	-43.67 %
Total Expenses	\$76,507.51	\$83,740.97	\$ -7,233.46	-8.64 %
NET OPERATING INCOME	\$ -1,112.85	\$ -28,169.99	\$27,057.14	96.05 %
Other Income				
8040 TVRPD Development Fee Revenues		2,137.00	-2,137.00	-100.00 %

	TOTAL			
	FEB 2019	FEB 2018 (PY)	CHANGE	% CHANGE
Total Other Income	\$0.00	\$2,137.00	\$ -2,137.00	-100.00 %
NET OTHER INCOME	\$0.00	\$2,137.00	\$ -2,137.00	-100.00 %
NET INCOME	\$ -1,112.85	\$ -26,032.99	\$24,920.14	95.73 %



Tehachapi Valley Recreation and Park District

STATEMENT OF CASH FLOWS

February 2019

	TOTAL
OPERATING ACTIVITIES	
Net Income	-1,112.85
Adjustments to reconcile Net Income to Net Cash provided by operations:	
1200 Accounts Receivable	-27,688.00
1070 Prepaid Expenses	1,417.76
1092 Credit Card Receivables	-153.00
2000 Accounts Payable-General Fund	-832.10
2010 Cardmember Services Payable	4,406.78
2014 Home Depot Payable	-813.80
2207 Sales tax payable	275.82
2211 Payroll Liabilities:CalPERS Payable	0.01
2231 Payroll Liabilities:Health Plan Payable	1,842.60
2241 Payroll Liabilities:AFLAC Payable	428.50
2250 Payroll Liabilities:Payroll Tax Liabilities	1,188.07
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	-19,927.36
Net cash provided by operating activities	\$ -21,040.21
INVESTING ACTIVITIES	
1163 Equipment	-3,246.17
Net cash provided by investing activities	\$ -3,246.17
FINANCING ACTIVITIES	
3022 Restricted Funds:Capital Projects	-113.24
3030 Unrestricted Funds	113.24
Net cash provided by financing activities	\$0.00
NET CASH INCREASE FOR PERIOD	\$ -24,286.38
Cash at beginning of period	631,932.72
CASH AT END OF PERIOD	\$607,646.34

Tehachapi Valley Recreation and Park District

BUDGET VS. ACTUALS: TVRPD BUDGET 2018/2019

July 2018 - February 2019

	TOTAL			
	ACTUAL	BUDGET	REMAINING	% REMAINING
Income				
4010 Property Taxes	495,994.54	594,950.64	98,956.10	16.63 %
4020 Interest Income	5,127.12	1,914.64	-3,212.48	-167.79 %
4020.1 Interest Income Cap Proj Fund	465.91		-465.91	
4030 Adult Program Revenues	20,474.16	24,800.08	4,325.92	17.44 %
4050 Facility Revenue	100,404.38	96,484.00	-3,920.38	-4.06 %
4200 Contracted Classes Revenues	29,292.00	26,300.72	-2,991.28	-11.37 %
4210 Events Revenues	124,739.09	76,402.64	-48,336.45	-63.27 %
4213 Operational Grants	26,304.00	70,866.64	44,562.64	62.88 %
4216 Scholarship Donations	73.00	1,000.00	927.00	92.70 %
4300 Youth Program Revenues	87,396.55	87,323.84	-72.71	-0.08 %
4610 Billable Expense Income	7,150.53	4,000.00	-3,150.53	-78.76 %
4650 Discounts given	-3,862.00	-2,866.64	995.36	-34.72 %
4690 Other Income	300.00		-300.00	
4704 Sales				
4703 Food Sales-Taxable	45.68	160.00	114.32	71.45 %
4705 Food Sales Non Taxable	137.45	490.00	352.55	71.95 %
4709 Soda Sales-Taxable	32.63	66.64	34.01	51.04 %
Total 4704 Sales	215.76	716.64	500.88	69.89 %
Total Income	\$894,075.04	\$981,893.20	\$87,818.16	8.94 %
Cost of Goods Sold				
5001 Adult Program Costs	3,819.78	5,936.00	2,116.22	35.65 %
5002 Fish Stocking		6,666.64	6,666.64	100.00 %
5004 Contracted Classes Costs	23,163.57	20,566.64	-2,596.93	-12.63 %
5005 Events Costs	114,213.67	102,436.80	-11,776.87	-11.50 %
5008 Youth Program Costs	18,995.19	23,240.00	4,244.81	18.27 %
5110 Scholarship Fund Expense				
5115 Chavez Scholarship Fund	1,880.00	733.36	-1,146.64	-156.35 %
5117 Walter Dye Scholarship Fund	1,153.50	733.36	-420.14	-57.29 %
Total 5110 Scholarship Fund Expense	3,033.50	1,466.72	-1,566.78	-106.82 %
5704 Purchases for Resale				
5701 Beer Purchases	2,300.00	300.00	-2,000.00	-666.67 %
5703 Food Purchases	115.74	266.64	150.90	56.59 %
5709 Soda Purchases	35.35	133.36	98.01	73.49 %
Total 5704 Purchases for Resale	2,451.09	700.00	-1,751.09	-250.16 %
Total Cost of Goods Sold	\$165,676.80	\$161,012.80	\$ -4,664.00	-2.90 %
GROSS PROFIT	\$728,398.24	\$820,880.40	\$92,482.16	11.27 %
Expenses				
6000 Employee Costs				
6010 Wages & Salaries	354,096.68	369,844.72	15,748.04	4.26 %
6020 Employee Taxable Allowances	6,245.21	6,133.36	-111.85	-1.82 %
6050 Benefits	-363.22		363.22	

	TOTAL			
	ACTUAL	BUDGET	REMAINING	% REMAINING
6051 Employee MedDentalVisLife	26,339.94	30,000.00	3,660.06	12.20 %
6055 Employee Retirement CalPERS	23,770.01	28,000.00	4,229.99	15.11 %
6056 CalPERS Unfunded Liability Valuation	10,744.00	8,709.36	-2,034.64	-23.36 %
6058 Employer Taxes	33,675.07	33,333.36	-341.71	-1.03 %
6060 Reimbursed Employee Expenses		666.64	666.64	100.00 %
6070 Vacation, Sick, & Admin Leave		1,000.00	1,000.00	100.00 %
6090 Worker's Compensation Insurance	29,203.76	15,333.36	-13,870.40	-90.46 %
Total 6050 Benefits	123,369.56	117,042.72	-6,326.84	-5.41 %
Total 6000 Employee Costs	483,711.45	493,020.80	9,309.35	1.89 %
7010 Advertising & Marketing	26,477.09	20,666.64	-5,810.45	-28.12 %
7020 Bank Service Charges	9,177.92	6,733.36	-2,444.56	-36.31 %
7025 Cash Short/Over	10.00		-10.00	
7026 Charitable Contribution	18,700.00	1,466.64	-17,233.36	-1,175.02 %
7030 Dues & Subscriptions	5,842.11	4,666.64	-1,175.47	-25.19 %
7035 Equipment Rents & Leases	106.00		-106.00	
7036 Maintenance Equipment Rental	258.40	666.64	408.24	61.24 %
7037 Office Equipment Rental	743.25	2,333.36	1,590.11	68.15 %
Total 7035 Equipment Rents & Leases	1,107.65	3,000.00	1,892.35	63.08 %
7050 Insurance				
7051 Auto Insurance	3,241.33	3,333.36	92.03	2.76 %
7052 HUB Insurance	0.00	266.64	266.64	100.00 %
7053 Property Insurance	7,964.62	8,666.64	702.02	8.10 %
7055 Liability Insurance	7,047.50	5,333.36	-1,714.14	-32.14 %
Total 7050 Insurance	18,253.45	17,600.00	-653.45	-3.71 %
7056 Interest Expense	9,911.54	12,000.00	2,088.46	17.40 %
7060 Licenses & Fees	8,504.11	46,333.36	37,829.25	81.65 %
7070 Maintenance				
7071 Pool Chemicals	3,951.56	5,933.36	1,981.80	33.40 %
7072 Building & Park Maintenance	16,428.35	18,633.36	2,205.01	11.83 %
7073 Accessibility Upgrades		67.36	67.36	100.00 %
7074 Equipment Maintenance	4,585.78	4,733.28	147.50	3.12 %
7075 Fuel	7,263.66	6,333.36	-930.30	-14.69 %
7076 Janitorial Supplies	5,971.95	6,333.36	361.41	5.71 %
7077 Small Tools & Equipment	330.16	1,000.00	669.84	66.98 %
7078 Materials & Supplies	2,971.76	22,288.00	19,316.24	86.67 %
7079 Fleet Maintenance	5,617.38	3,333.36	-2,284.02	-68.52 %
Total 7070 Maintenance	47,120.60	68,655.44	21,534.84	31.37 %
7084 Meals & Entertainment	2,473.97	2,000.00	-473.97	-23.70 %
7090 Office Supplies	9,631.29	9,333.36	-297.93	-3.19 %
7120 Professional Development	570.00	5,000.00	4,430.00	88.60 %
7150 Professional Fees				
7151 Annual Audit	11,750.00	7,866.64	-3,883.36	-49.36 %
7152 Bookkeeping & Payroll	19,415.37	16,666.64	-2,748.73	-16.49 %
7153 Information Technology	3,670.50	5,666.64	1,996.14	35.23 %
7154 Feasibility Study Consults	40,565.86		-40,565.86	
7155 Legal	6,965.18	6,000.00	-965.18	-16.09 %
Total 7150 Professional Fees	82,366.91	36,199.92	-46,166.99	-127.53 %

	TOTAL			
	ACTUAL	BUDGET	REMAINING	% REMAINING
7160 Property Tax Collection Fee		9,333.36	9,333.36	100.00 %
7180 Security	4,246.24	2,666.72	-1,579.52	-59.23 %
7210 Telephone and Internet	7,874.57	8,000.00	125.43	1.57 %
7230 Uniforms & Apparel	1,342.29	2,000.00	657.71	32.89 %
7250 Utilities				
7252 Electric Service	31,459.30	26,899.92	-4,559.38	-16.95 %
7254 Gas Service	8,423.02	11,433.28	3,010.26	26.33 %
7256 Sanitation Services	5,180.38	9,266.64	4,086.26	44.10 %
7258 Water Service	7,431.90	5,702.64	-1,729.26	-30.32 %
Total 7250 Utilities	52,494.60	53,302.48	807.88	1.52 %
7299 Interest Expense KCA	4,700.45		-4,700.45	
Total Expenses	\$794,516.24	\$801,978.72	\$7,462.48	0.93 %
NET OPERATING INCOME	\$ -66,118.00	\$18,901.68	\$85,019.68	449.80 %
Other Income				
8020 Insurance Settlement Proceeds	1,324.92		-1,324.92	
8040 TVRPD Development Fee Revenues	66,240.00		-66,240.00	
Total Other Income	\$67,564.92	\$0.00	\$ -67,564.92	0.00%
Other Expenses				
7290 Operational Reserve (Contingency)		66,666.64	66,666.64	100.00 %
8505 Quimby Expense		2,112.64	2,112.64	100.00 %
8507 Loan Principal Payments (2310)		33,134.64	33,134.64	100.00 %
Total Other Expenses	\$0.00	\$101,913.92	\$101,913.92	100.00 %
NET OTHER INCOME	\$67,564.92	\$ -101,913.92	\$ -169,478.84	166.30 %
NET INCOME	\$1,446.92	\$ -83,012.24	\$ -84,459.16	101.74 %

**PROPOSAL FOR PROFESSIONAL AUDIT SERVICES
Tehachapi Valley Recreation & Park District**

**For the Fiscal Years Ending
June 30, 2019-2021**



Respectfully Submitted by:

Paul J. Kaymark, CPA

Nigro & Nigro, PC

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we partner with our clients to build
valuable relationships that inspire success.*

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March 12, 2019

Michelle Vance
District Manager
Tehachapi Valley Recreation & Park District
PO Box 373
Tehachapi, CA 93581

Dear Ms. Vance:

Thank you for the opportunity to submit this proposal to provide auditing services for the Tehachapi Valley Recreation & Park District. Our understanding of the work to be done is: the annual audit of the District's financial statements for the fiscal years ending June 30, 2019-2021. Based on our history with special districts, I believe our firm would be a great fit, and we would develop a great working relationship. Our staff works hard to help ensure our audits are completed with the highest level of service and meet all deadlines.

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

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

- **Credibility, Reputation, and Resources of a Large Firm** without sacrificing the small-firm touch. Our CPAs and consultants can help you analyze and address financial, operational, and regulatory issues so you can focus attention on serving your citizens. We were originally formed in 1999, and now perform annual audits for approximately 60+ public agencies annually.
- **State-Wide Reach with Local Presence.** At Nigro & Nigro, we have the benefit of having the resources of a state-wide firm while serving you from our Murrieta office. We also have an office in Oakland for additional resources.
- **Efficiency.** Our use of portal software allows you to upload audit documentation at any time, which will minimize disruption to your staff and enable timely completion of all deliverables.
- **An Efficient and Effective Work Plan.** We currently serve over 60+ governmental entities state-wide, which enables our staff to understand the scope of the audit. We also understand the District's complexities, not just from a compliance standpoint but also from an operational point of view. We have developed an effective work plan that takes into consideration your needs for high quality audit services, as well as timely deliverables. As a result of our efficient work plan, we commit to meeting your deadlines to complete our auditing services within the time period you specify.

- **Thought Leadership.** Members of our firm have been actively involved as presenters in numerous industry conferences and programs, including the ACSA Professional Development Committee, CASBO, CSBA, CSDA, and CSMFO. We have incorporated our experience with these committees into our audit framework.
- **Engagement Team.** We know that quality people drive quality results, which is why our commitment to you starts with the engagement team members who are selected based on their experience, focus on serving local government agencies, and who are the best fit for you. Each of the District's engagement team members have completed and exceeded the mandatory requirement for continuing professional education hours as requested in the RFP. Paul Kaymark, Partner, will be the main contact for the District regarding this project.
- **A Focus on Providing Consistent, Dependable Service to Government Entities.** Nigro & Nigro is organized by industry, affording our clients with industry-specific expertise supplemented by valuable local service and insight. Therefore, the District will enjoy the service of members of our Governmental Audit Services Team who have experience with similar governmental entities and understand the issues and environment critical to you. You will not have to train our auditors.

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

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

Sincerely,



Paul J. Kaymark, CPA
Audit Services Partner

FIRM QUALIFICATIONS & EXPERIENCE

Experience

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

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

Areas of specialization include:

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

License to Practice in California

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

Statement of Independence

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

The Firm has had no prior engagements with the District, nor are there any personal or organizational conflicts of interest as prohibited by law.

FIRM QUALIFICATIONS & EXPERIENCE (CONTINUED)

Size and Location of Offices

The firm was originally established in 1999. In 2013, we opened our second office in Northern California in order to better serve our growing client base of school districts in the San Francisco Bay Area. The Firm now has five partners and a professional staff of 19 accountants and expects to add more in the coming years as we continue to grow. We are a full service firm, providing audit and review, tax, consulting, and accounting services to local government, non-profit organizations, charter schools, commercial businesses and homeowners' associations. The office serves clients of all sizes and industries, however, we focus on government agencies, just like yours.

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



MURRIETA OFFICE



OAKLAND OFFICE

Size of Our Firm

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

Position	Number of Employees	Number of Licensed CPA's
Partner*	5	5
Supervisor	3	1
Senior	7	-
Associates	3	-
Support Staff	2	-
Total	20	6

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

Range of Activities Performed

- Audit services for more than 60+ governmental agencies
 - Includes special districts, JPAs, and school districts
- Financial and performance audits under Prop. 39 for school districts
- Consulting and other services for numerous other agencies and not-for-profits
- Tax services for individuals, corporations, and non-profit organizations

PARTNER/SUPERVISORY/STAFF QUALIFICATIONS & EXPERIENCE

Meet Your Audit Leadership Team

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

Name	Role	Years of Experience in Audits
Paul J. Kaymark, CPA	Lead Partner	24
Peter Glenn, CPA	Review Partner	11
Faith Kondrit	Audit Supervisor	3

Paul J. Kaymark, CPA

Lead Audit Partner

Paul recently joined the firm after more than 24 years of previous public accounting and auditing governmental entities experience. Paul is our choice for new governmental audit clients, having extensive experience in the areas of governmental entities. His main responsibilities include assistance in the preliminary planning of audit work, review of assistants' work, and performing audit procedures in more complex audit areas.

Audit Services:

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

Consulting Services:

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

Special District Accounting:

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

Financial Reporting:

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

Some Agencies Served:

- Stallion Springs Community Services District
- Bear Valley Community Services District
- Golden Hills Community Services District
- Desert Recreation District
- Pleasant Valley Recreation & Park District



Education:

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

Licenses and Certifications:

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

Professional Affiliations:

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

Continuing Education:

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

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

Peter Glenn, CPA

Review Partner

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

Audit Services:

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

Consulting Services:

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

Special District Accounting:

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

Financial Reporting:

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

Other Agencies Served:

- Riverside County Open Space and Park District
- Cahuilla Band of Indians
- Murrieta Valley Cemetery District



Education:

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

Licenses and Certifications:

- Certified Public Accountant, California

Continuing Education:

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

Faith Kondrit

Audit Supervisor

Faith joined the firm in 2015 after interning with Nigro and Nigro, PC while still in college. She continues to hone her skills and expand her knowledge on the ever-changing world of accounting by staying up-to-date on new pronouncements and their effects. In 2018, she was promoted to the position of Audit Supervisor. Faith will work under the general direction of the partner and manager.

Audit Services:

Faith began her auditing career with Nigro & Nigro in 2015, participating in audits of LEAs, other governmental audits and agreed-upon procedure engagements. She has successfully navigated her way to becoming one of the most knowledgeable members of our audit team, and has earned her the respect of clients and colleagues. Her friendly demeanor puts her clients at ease, but her customer-oriented approach to the audit is what her clients have come to appreciate the most.

Consulting Services:

Ms. Kondrit has experience in a variety of governmental accounting issues, derived from his auditing and consulting experience at the Firm. She regularly consults with clients in areas of:

Financial Reporting:

- Capital assets and depreciation schedules
- Agreed upon procedures
- Prop. 39 Bond Performance audits

Governmental Agencies Recently Served:

- Elsinore Valley Cemetery District
- Lake Cuyamaca Recreation and Park District
- Antelope Valley Schools Transportation Agency



Education:

Bachelor of Science, Accounting
California Baptist University, 2015

Professional Affiliations:

- American Institute of Certified Public Accountants (AICPA)

Continuing Education:

- School District Conference
- CASBO Annual Conference
- In-house training for audit staff (presenter)

PARTNER/SUPERVISORY/STAFF QUALIFICATIONS & EXPERIENCE

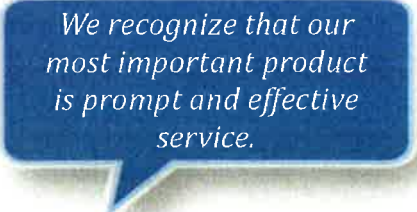
Training & Resources

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

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

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

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



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

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

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

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

REFERENCES

We currently conduct over 60+ government audits each year and have well rounded experience with local governmental agencies. We are excited for the opportunity to devote our attention to you and your specific needs. Below is a partial list of some similar governmental clients we have audited within the past three years.

Organization Name:	Stallion Springs Community Services District
Contact Person:	Jenni Morris, Accountant
Address:	27800 Stallion Springs Drive Tehachapi, CA 93561
Phone:	(661) 822-3268
Project(s):	Financial Statement Audits

Organization Name:	Casitas Municipal Water District
Contact Person:	Denise Collin, CFO
Address:	1055 N. Ventura Ave. Oak View, CA 93022
Phone:	(805) 649-2251 x 103
Project(s):	Financial Statement Audits

Organization Name:	Big Bear City Community Services District
Contact Person:	Shari Strain, Finance Officer
Address:	139 East Big Bear Boulevard Big Bear City, CA 92314
Phone:	(909) 584-4010
Project(s):	Financial Statement Audits

Organization Name:	Pauma Valley Community Services District
Contact Person:	Bobby Graziano, Administrator
Address:	33129 Cole Grade Road Pauma Valley, CA 92061
Phone:	(760) 742-6900
Project(s):	Financial Statement Audits

In addition to the valued clients listed above, we work with many more governmental clients. Our client retention history has been excellent and several of the clients have been clients for more than ten years.

SPECIFIC AUDIT APPROACH

We will audit the basic financial statements of the District for the year ended June 30, 2019, in accordance with the following standards:

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

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

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

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

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

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

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

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

SPECIFIC AUDIT APPROACH (CONTINUED)

Segmentation of Engagement

STEP 1: Planning

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

STEP 2: Interim Field Work

Internal Control Documentation

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

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

STEP 3: Final Fieldwork

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

Assess Risks and Design Procedures

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

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

Interim and Year End Testing

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

STEP 4: Audit Completion

Preparation of Audit Report and Management Letter

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

AUDIT FEES

	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
Financial Statement Audit	\$ 12,000	\$ 12,000	\$ 12,000
Annual state controller report	500	500	500
	<u>\$ 12,500</u>	<u>\$ 12,500</u>	<u>\$ 12,500</u>
Total All-Inclusive Price for 2019-2021	<u>\$ 37,500</u>		

ADDITIONAL INFORMATION

Testimonial

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

*Deana Miller
Accounting Manager
PolyCera, Inc.*

Fraud Hotline



Throughout the audit process, we will make available our fraud hotline reporting service at no additional charge over the period of the contract to ensure the District has an effective anti-fraud program.

PROFESSIONAL SERVICES AGREEMENT FOR AUDITING SERVICES

This PROFESSIONAL SERVICES AGREEMENT FOR AUDITING SERVICES (this "Agreement") is dated and effective as of this April, 24, 2019 (the "Effective Date"), by and between **TEHACHAPI VALLEY RECREATION & PARK DISTRICT** ("District"), and **NIGRO & NIGRO PC** a California corporation ("Auditor"), who agree and contract in Tehachapi, California, as described below. District and Auditor are singularly referred as a "party" and collectively as the "parties" on a generic basis.

Recitals

This Agreement is entered into in reliance upon the following facts and circumstances:

- A. District is an independent special district duly formed and operating under applicable California law;
- B. Auditor is a professional accounting firm duly licensed to practice in the State of California;
- C. District desires to engage Auditor to perform certain financial audit services and prepare the District's Annual State Controller's Report as more specifically described in Section 1 of this Agreement (collectively, the "Services");
- D. In turn, Auditor desires to perform the Services for District upon all the conditions, covenants, provisions and terms of this Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree and contract as follows:

Agreement

1. **The Services; Standards.** For each year of the term of this Agreement (as defined in Section 2), Auditor shall provide annual financial and compliance audits of the District's financial records, accounts and statements (collectively, the "Services"). Auditor will perform the Services in accordance with generally accepted government auditing standards, the standards for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America, the Audit Guide for Audits of DECD Programs, the provisions of the federal Single Audit Act of 1984 (as amended in 1996), and U.S. Office of Management and Budget Circular (OMB) A-133, Audits of States, Local Governments, and Non-Profit Organizations. Auditor shall further perform the Services and prepare any and all reports in conformity with generally accepted accounting principles and in accordance with the latest Governmental Standards Board (GASB) pronouncements.

Additionally, Auditor will prepare the Annual State Controller's Report as required by California Government Code Section 53891 (the "Annual Report"). The Annual Report shall contain all the required underlying data from audited financial statements prepared in accordance with generally

accepted accounting principles. Auditor shall provide all personnel necessary to properly perform the Services required under this Agreement.

2. Initial Term; District's Option.

2.1 Initial Term. Initially, Auditor shall perform the Services for the District covering the District's fiscal year ending on June 30, 2019 (the "Initial Term"). Upon Auditor's full performance of the Services, District shall pay to Auditor as consideration for the Services the amount specified in Section 3 of this Agreement.

2.2 District's Option Periods. The District shall have the option, but not the obligation, to extend this Agreement for two (2) additional option periods (each an "Option") covering the Fiscal Years ending on June 30, 2019 and June 30, 2021 (the "Option Periods"). The District may exercise each Option by providing Auditor with written notice of such same no later than thirty (30) days after the close of each fiscal year. During the Option Periods and upon Auditor's full performance of the Services, the District shall pay to Auditor as consideration for the Services the amount specified in Section 3 of this Agreement.

3. Pricing. District shall pay to Auditor an "all-inclusive" fee for Auditor's performance of the Services as follows:

FISCAL YEAR	PRICING
Fiscal Year ending June 30, 2019	\$12,500.00
Fiscal Year ending June 30, 2020	\$12,500.00
Fiscal Year ending June 30, 2021	\$12,500.00

Auditor agrees that the pricing above shall be "all-inclusive." The District shall pay the fees to Auditor upon the satisfactory completion of the Services for each Fiscal Year.

4. Statement of Independence. Auditor hereby certifies, represents and warrants that it is entirely independent of the District as required by the "Standards for Audit of Government Organizations, Programs, Activities, and Functions," 1981 revision, published by the U.S. General Accounting Office.

5. Licensed to Practice in California. Auditor hereby certifies, represents and warrants that it is properly licensed to practice as a certified public accountants partnership in the State of California. Auditor further certifies, represents and warrants that any individual partner or employee of Auditor shall be properly licensed to practice as certified public accountants in the State of California.

6. Responsibility to Disclose. If Auditor ascertains that the District's books and records contain any material misstatement, errors, irregularities or illegal acts, including, without limitation, fraud or defalcations, Auditor shall immediately advise the District of same. Auditor shall further immediately notify the District of any reportable conditions noted during the course of the performance of the Services.

7. Termination.

7.1 Generally. In the event that there is a significant change in the District's available funding and/or a change in the legal or regulatory requirements applicable to this Agreement, the District may: (i) immediately cancel or terminate this Agreement after paying in full for any and all services rendered by Auditor prior to the date of termination; or, (ii) seek, without penalty, a negotiated

modification of this Agreement which would allow the District to continue maintain this Agreement in full force and effect.

7.2 For Cause. The District may, by written notice to Auditor, terminate this Agreement in whole or in part, if any one or more of the following occur:

- a. Auditor fails to perform its duties and obligations under this Agreement in a timely and professional manner in the District's reasonable judgment, unless such failure is cured by Auditor within ten (10) days after Auditor's receipt of written notice from the District identifying such failure; or,
- b. Auditor committing an act of fraud, dishonesty, misrepresentation or embezzlement against Owner.

Upon the occurrence of any of the above events, the District may immediately terminate this Agreement and pursue any and all remedies available to the District.

8. Confidentiality. The parties acknowledge, understand and agree that Auditor may have access to confidential records, documents and information of District (the "Confidential Records"). Auditor agrees not to directly or indirectly disclose or use the Confidential Records without the prior written consent of the District as exercised in its sole and absolute discretion

9. Entire Agreement. This Agreement constitutes the entire agreement between the District and Auditor and supersedes all prior discussions. No modification of this Agreement will be effective unless made in writing and signed by both the District and Auditor.

10. Notices. Any and all notices, demands or communications required or desired to be given hereunder by any party shall be in writing and shall be deemed duly delivered (a) either when personally served on the party to whom the notice is directed, or (b) two (2) days after the date when deposited in the United States mail, postage prepaid, registered or certified with return receipt requested and addressed to the party to whom they are directed as follows:

District:	Mrs. Carrie Champlin Business Manager, Clerk of the Board TEHACHAPI VALLEY RECREATION & PARK DISTRICT 490 West D Street Tehachapi, California 93561
Auditor:	Mr. Paul J. Kaymark Audit Services Partner NIGRO & NIGRO PC 25220 Hancock Ave. Suite 400, Murrieta, CA 92562

11. Attorney's Fees. In the event of any litigation, arbitration or other action between the parties arising out of or relating to any of the provisions hereof, the prevailing party in such action shall be entitled, in addition to any other relief as may be granted, to all costs and expenses, including, but not limited to, reasonable attorney's fees incurred therein by such prevailing party. The amount of the attorneys' fees shall be determined by the court in such action or in a separate action for that purpose. The prevailing party shall

be the party who is entitled to recover his costs of suit, whether or not the suit proceeds to final judgment. If no costs are awarded, the prevailing party shall be determined by the Court.

12. Amendment and Waiver. No amendment, change, or modification shall be binding unless executed in writing by all of the parties. No waiver by any party of any of the provision of this Agreement shall be deemed a waiver of any other provision, whether or not similar, nor shall any waiver be construed as a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

13. Partial Invalidity. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, then remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

14. Assignment. Neither this Agreement nor any duties, obligations or responsibilities under this Agreement may be assigned by a party without the prior written consent of the other party as exercised in its reasonable discretion.

15. Governing Law and Venue. This Agreement shall be interpreted, construed and enforced in accordance with the internal laws, and not the law of conflicts, of the State of California applicable to agreements made and to be performed in such state. Furthermore, the parties agree that this Agreement is made and is to be performed in Kern County, and therefore, the only proper venue for any litigation shall be in the appropriate division of the Kern County Superior Court.

16. Construction. All parties participated in the drafting of this Agreement and thus no greater or stricter construction should be applied to any party. In this Agreement, the masculine, feminine or neuter gender and the singular or plural number shall be deemed to include the other whenever the context so requires. The captions appearing at the commencement of the paragraphs are descriptive only and for convenience in reference. Should there be any conflict between any such caption and the paragraph at the head of which it appears, the paragraph and not the caption shall control and govern in the construction of this document.

17. Further Assurances. Each party shall execute and deliver any and all additional papers, documents or other assurances and shall perform any further acts which may be reasonably necessary to carry out the intent of the parties and the provisions of this Agreement.

18. Counterparts. This Agreement may be executed in separate counterparts, each of which, when so executed, shall be deemed to be an original and to constitute the one and same contract. This Agreement may be signed and signatures transmitted by facsimile or .pdf, and any such facsimile or .pdf copy shall be equivalent to a binding signed original for all purposes.

[SIGNATURES ON THE FOLLOWING PAGE; REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

19. Effectiveness. This Agreement shall be effective as of the Effective Date upon its execution and delivery by all the parties.

DATED: April ____, 2019

**TEHACHAPI VALLEY RECREATION & PARK
DISTRICT ("District")**

By: _____
[Print] _____
Its: _____

DATED: April ____, 2019

NIGRO & NIGRO PC a California corporation
("Auditor")

By: _____
[Print] _____
Its: _____

TEHACHAPI/AUDIT CONTRACT 2019/PROFESSIONAL SERVICES AGREEMENT

**THE BOARD OF DIRECTORS OF THE
TEHACHAPI VALLEY RECREATION AND PARK DISTRICT**

IN THE MATTER OF

ENTERING A PROFESSIONAL AGREEMENT WITH NIGRO & NIGRO PC

I, Carrie Champlin, Clerk of the Board of Directors of the Tehachapi Valley Recreation and Park District, of the County of Kern, State of California, so hereby certify that the following resolution proposed by Director _____ and seconded by Director _____ was duly passed and adopted by said Board of Directors at an official meeting thereof this 23rd day of April, 2016 by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Clerk of the Board of Directors
of the Tehachapi Valley Recreation
and Park District

RESOLUTION NO. 01-19

WHEREAS, the Tehachapi Valley Recreation and Park District (TVRPD) is a legally constituted public agency formed pursuant to the Public Resources Code, State of California; and

WHEREAS, Nigro & Nigro PC is a certified public accountancy agency; and

WHEREAS, TVRPD is required to have an annual audit of the financial statements of government activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of the district as of and for the year ended June 30, 2019; June 30, 2020; and June 30, 2021; and

WHEREAS, the Engagement Letter and Audit Contract for Nigro & Nigro PC and reviewed and approved by counsel meets the criteria required to fulfill the needs of TVRPD; and

WHEREAS, the fee for services as described in said contract will not exceed \$12,500.00 for FY2018-19; \$12,500.00 for FY2019-20; and \$12,500.00 for FY2020-21 to complete the annual audit and the annual State Controller's Report.

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Directors approve execution of said contract between TVRPD and Nigro & Nigro PC.