

BROWN ARMSTRONG

Certified Public Accountants

SANTA BARBARA COUNTY EMPLOYEES' RETIREMENT SYSTEM

TECHNICAL PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

December 5, 2022

Andrew J. Paulden, CPA/Managing Partner

Neeraj Datta, CPA, CGMA/Partner

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1. Cover Letter

December 5, 2022

Rico Pardo, Controller
Santa Barbara County Employees' Retirement Association
130 Robin Hill Road, Suite 100
Goleta, California 93117

Dear Mr. Pardo:

Brown Armstrong Accountancy Corporation wants to continue to be your auditors. This proposal will demonstrate to you that our firm is uniquely qualified to continue to serve as your auditors. We are proposing at your request a five-year proposal beginning with the year ending June 30, 2023. Santa Barbara County Employees' Retirement System has been a valued client of ours and we hope to continue that relationship.

Brown Armstrong believes that because of our excellent service, our retirement system experience, our competitive price, and most importantly our people, we are the best qualified to remain as your auditors. This proposal will demonstrate to you all of these items and more.

We will be the engagement partners and primary liaisons responsible for all services provided to SBCERS, and we are entitled to represent the firm, empowered to submit this bid, and authorized to negotiate and sign a contract with SBCERS. We can be contacted at 4200 Truxtun Ave, Suite 300, Bakersfield, CA 93309, Tel (661) 324-4971, Fax (661) 324-4997, or by email at apaulden@ba.cpa or ndatta@ba.cpa. Our web site address is www.ba.cpa. This is a valid offer for 90 days.

Please call us if we can clarify or expand on any item contained in this proposal. We appreciate the opportunity to continue providing you with the outstanding service you expect.

Sincerely,

**BROWN ARMSTRONG
ACCOUNTANCY CORPORATION**



By: Andrew J. Paulden, CPA
Managing Partner



By: Neeraj Datta, CPA, CGMA
Partner

Santa Barbara County Employees' Retirement System

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3. Executive Summary

We have thoroughly read your request for proposal and performed the due diligence required to ensure that we completely understand the scope of the work to be done for the Santa Barbara County Employees' Retirement System (SBCERS). By submitting this proposal, we are committing to perform the required work and issue our reports within the SBCERS' time frame. Our firm is the best qualified because of our benefit plan audit experience and our people. Our firm has extensive experience in audits of local governments, having performed over 900 audits of public agencies over the past five (5) years.

Brown Armstrong will perform audits of SBCERS Pension Benefit Trust and Post Employment Benefit Trust (OPEB) basic financial statements, Governmental Accounting Standards Board (GASB) Statement No. 68 procedures for the Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer, and GASB Statement No. 75 Schedule of Changes in Fiduciary Net Position by Employer for the fiscal years 2023, 2024, 2025, 2026, and 2027 with the option to renew for one additional five-year period. We will present final reports to the Board of Retirement. This is a valid and irrevocable offer for 90 days beginning December 5, 2022.

The audit will be performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States.

We put audit quality control as one our top priority. All of our audit partners take audit quality very seriously. We continue to improve our audit quality each year. Not only do we have a vigorous annual in house inspection program but we also have an audit quality committee comprised of audit partners and managers to address audit quality, address new GASB pronouncements and develop procedures that will guide our clients to implementing GASBs in a timely manner as well as ensuring our staff is trained on the latest audit requirements. Mr. Datta is our firm-wide retirement committee chair and has the experience necessary to assist you in implementing upcoming GASB statements that govern reporting for public pension systems.

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

California Assembly Bill 1345 Section 12410.6(b) (AB1345) was passed in 2012 that now requires commencing with fiscal year 2014 that a local agency shall not employ a public accounting firm to provide audit services to a local agency if the lead audit partner or coordinating audit partner having primary responsibility for the audit, or audit partner responsible for reviewing the audit, has performed services for that local agency for six consecutive years. Our firm has developed an in-house tracking matrix to ensure our government engagements that are subject to the 6-year lead partner rotation, are being tracked and rotated accordingly. In addition to the matrix, we also developed a policy to assist our clients in making the transition as seamless as possible. While AB 1345 does not require the engagement manager to be rotated, if SBCERS desires, we can also rotate the manager.

This proposal will demonstrate to you that we are still the best-qualified firm to be your auditors.

4. Technical Proposal

A. General Requirements

We believe our technical proposal addresses all points outlined in the RFP.

B. Independence

Our firm, its shareholders and employees are independent of the SBCERS as defined by U.S. General Accounting Office's *Government Auditing Standards*.

C. License to Practice

Our firm, the engagement partner, and all assigned key professional staff noted as a CPA are properly licensed to practice public accounting in the State of California and are in good standing with all licensing agencies

D. Litigation or Disciplinary Actions

There are no current violations or claims against our firm or any of our employees. Our firm does not have any lawsuits or litigation resulting from (a) any public project undertaken by our firm or by our subcontractors where litigation is still pending or has occurred within the last three (3) years or (b) any type of project where claims or settlements were paid by our firm or our insurers within the last three (3) years.

E. Partner, Supervisory, and Staff Qualifications and Experience

Established in 1974, Brown Armstrong is one of the largest regional accounting firms serving California. We have built a full-service accounting and consulting firm serving clients from San Diego to Humboldt County. The dimension that Brown Armstrong is able to offer SBCERS is dedicated years in public accounting, which has enabled us to become a true advisor to your organization and an assistant to your financial success. Now, with sixty-two (62) highly skilled employees, Brown Armstrong continues its growth as a regional firm by offering auditing, tax, accounting, consulting, and assurance services to governmental entities, pensions, nonprofits, corporations, partnerships and individuals in California.

The firm now employs 62 people as follows:

<i>Our Staff</i>		<i>Governmental Audit Staff</i>	
Partners	9	Partners	7
Shareholders in Training	1	Shareholders in Training	1
Managers	9	Managers	6
Seniors	7	Seniors	6
Staff	20	Staff	18
Support Staff	<u>17</u>	Support Staff	<u>2</u>
	<u>62</u>		<u>40</u>

Our governmental audit staff is made up of forty (40) professionals who are experts in their field. We have crafted expertise in auditing the public sector since the birth of the company. Through tireless planning, relationship building, and knowledge of the realm, we are dedicated to serving our clients and exceeding their needs and expectations. We have three (3) offices located throughout the state of California. Our main office is located in Bakersfield, California. We have additional offices in Fresno and Stockton to better serve our client's needs. All of the work performed on this engagement will be from our Bakersfield office.

Not only is our team of professionals trained to perform audits, but all members have experience auditing retirement systems similar to SBCERS. This knowledge and background will lead to an efficient, timely, and quality audit that will keep your operation running smoothly.

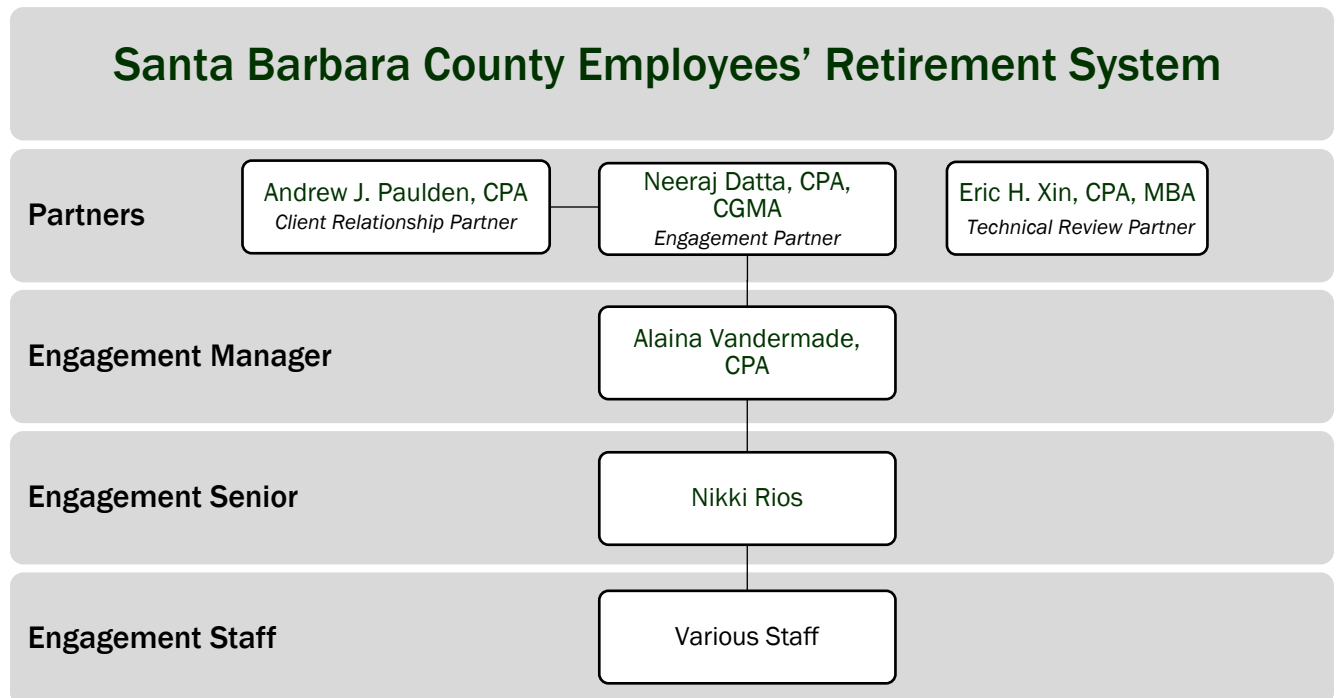
TECHNICAL PROPOSAL

Santa Barbara County Employees' Retirement System

Engagement Team

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

The professional staff that will be assigned to your engagement are as follows:



All staff assigned to your engagement will be employed on a full-time basis. We are not proposing as a joint venture or consortium. All team members notated as a CPA are registered or licensed to practice as a certified public accountant in California. All identified personnel have participated in audits of retirement systems and large and small governmental units. All members attend governmental and non-governmental continuing professional education.

Attachment II of this proposal contains detailed resumes of each staff member that identifies each person's experience, specialized expertise, continuing professional education and membership in professional organizations relevant to the performance of your audit.

Staff Continuity

The engagement partner, manager, other supervisory staff, and specialists may be changed if those personnel leave the firm, are promoted or assigned to another office. These personnel may also be changed for other reasons only with the express prior written permission of SBCERS. We understand that SBCERS retains the right to approve or reject replacements. Other audit personnel may be changed at the discretion of our Firm, provided that replacements have substantially the same or better qualifications or experience. Every effort will be made to ensure continuity of audit personnel and allow for a smoother audit process during the term of the engagement.

TECHNICAL PROPOSAL

Santa Barbara County Employees' Retirement System

F. Similar Engagements with Other Public Retirement Systems

We've provided professional auditing services to SBCERS since 2012. The engagement has been performed from our Bakersfield and Fresno offices. We have also provided professional auditing services to the County of Santa Barbara.

Engagement	Date	Scope of Work	Partner	Office
County of Santa Barbara	June 30, 2007 – 2018	ACFR Single Audit First 5	E. Xin, CPA, MBA L. Zimmerman, CPA	Bakersfield, CA
	June 30, 2022 – Current			Fresno, CA
Santa Barbara County Employees' Retirement System	June 30, 2012 – Current	ACFR, GASB 68 GASB 75	A. Paulden, CPA R. Flores, CPA N. Datta, CPA, CGMA	Bakersfield, CA Fresno, CA

Our Firm's most significant similar retirement system engagements performed in the last four (4) years:

Client	Hours	Dates	Scope of Service	Partner
San Diego County Employees Retirement Association Mike Pattison Director of Finance (619) 515-6858 MPattison@sdcera.org	550	2015	ACFR GASB 68	N. Datta, CPA, CGMA 2020 - Present
		– Present		A. Paulden, CPA 2015 - 2019
San Bernardino County Employees Retirement Association Amy McInerney Chief Financial Officer (909) 520-1579 Amcinerney@sbcera.org	490	2019	ACFR GASB 68	N. Datta, CPA, CGMA 2020 - Present
		– Present		A. Paulden, CPA 2019
Ventura County Employees' Retirement Association La Valda R. Marshall, MBA Chief Financial Officer (805) 339-4267 lavalda.marshall@ventura.org	370	2012	ACFR	N. Datta, CPA, CGMA 2022 - Present
		– Present		R. Flores, CPA 2012 - 2021

Other Public Retirement Systems

Please refer to Attachment III in Section 6 for a comprehensive list of our recent public retirement system clients.

TECHNICAL PROPOSAL

Santa Barbara County Employees' Retirement System

G. Liaison with Other Entities

Our Firm will use the following entities to provide us with the access necessary to obtain prompt responses to inquiries arising from technical or procedural questions developed in the course of the engagement. We are proud that an alumna of our firm, Jialan Su, is now a project manager at the GASB. Jialan has been a great resource for responding to technical accounting issues.

Technical Resources and Professional Affiliations			
	Resource	Professional Affiliation	
	AICPA Governmental Audit and Quality Center (GAQC)	Promotes the importance of quality governmental audits and the value of such audits.	Member - Access to all resources and participate in meetings and continuing professional education.
	CalCPA State Governmental Accounting and Auditing Committee	To participate in the profession's effort to improve the quality of financial reporting on governmental entities by providing practical guidance to CPAs in the area of governmental accounting and auditing.	Member- Access to all resources and participate in meetings. Stay well-informed in current industry issues.
	State Association of County Retirement Systems (SACRS)	To serve the 1937 Act Retirement Systems by exchanging information, providing education and analyzing legislation.	Member-Stay well-informed in current industry issues and participate in public speaking on a wide variety of topics such as new pronouncements or other educational topics.
	California Association of Public Retirement Systems (CALAPRS)	To share information and exchange ideas to enhance the ability to administer public pension plan benefits and manage investments consistent with their fiduciary responsibility.	Member-Stay well-informed in current industry issues and participate in public speaking on a wide variety of topics such as new pronouncements or other educational topics.
	California Municipal Finance Officers Association (CSFMO)	To promote excellence in financial management through innovation, continuing education and the professional development of members.	Member-Stay well-informed in financial issues affecting government and the public. Access to web-based technical support resources, educational materials, conferences and technical publications for its members.
	Government Finance Officers Association (GFOA)	To advance excellence in public finance.	Pro-bono recognized reviewers.
	California Special District Association (CSDA)	To provide members with the resources necessary to best serve their communities.	Member- Participate in educational and training conferences.
	California State Association of County Auditors (SACA)	To promulgate guidelines related to the accounting and fiscal processes and practices for use by County auditors and to foster and promote uniformity among counties in the accounting utilization of generally accepted accounting principles as they relate to California counties.	Member-Stay well-informed in financial issues affecting counties and participate in conferences.

TECHNICAL PROPOSAL

Santa Barbara County Employees' Retirement System

H. Specific Audit Approach

This section sets forth our understanding of the audit engagement requirements, and a work plan, including an explanation of the methodology to be followed to perform the engagement.

Timing	Phase	Staff	Hours
May/June	Planning and Scope of Work <ul style="list-style-type: none"> Discuss with Management our audit approach, timing, assistance, and other issues. Prepare audit programs, audit budget and staffing schedule. Provide information request lists, questionnaires and critical dates list to SBCERS management. Review minutes of Board meetings and other key committees. Coordinate with SBCERS staff in the preparation of all appropriate confirmation requests including: <ul style="list-style-type: none"> -Custodian -Contributions -Cash -Legal -Active and retired participants (Random, non-statistical sample. Minimum sample size is 40 for each classification.) -Investments -Consultant -Actuary -Others, as required 	Partner Manager Senior Staff Clerical	8 12 40 32 4
	Internal Control Evaluation and Audit Risk Assessment, Establishment of Audit Plan, and Interim Field Work <ul style="list-style-type: none"> Hold entrance conference with SBCERS management. Obtain and document understanding of the following key internal control systems through walk-throughs, interviews of staff, and review of supporting documentation: <ul style="list-style-type: none"> -Investing -Participant Data -Benefit Obligations -Other key internal control systems as necessary -Benefits -Contributions -Financial Close and Reporting -Data Processing Test and evaluate effectiveness of the internal control system. Random samples of transactions in key operating systems. Non-statistical sampling. Minimum sample size is forty. Samples selected will be reviewed for adequacy of support and approvals, and degree of adherence to and compliance with SBCERS policies, the County Employees Retirement Law of 1937 (CERL) and the California Public Employees' Pension Reform Act of 2013 (PEPRA). Review and perform additional procedures on active and retired participant's confirmations, and evaluate adequacy of responses. Perform procedures over GASB 68 and 75 prior year report for current year Employer reporting. <p><u>Information Technology (IT)</u></p> <ul style="list-style-type: none"> Obtain completed IT survey to determine significant changes during the year. Perform risk assessment to determine the scope of the IT audit. Perform a walkthrough and test general controls. 	Partner Manager Senior Staff Clerical	12 32 54 80 0

TECHNICAL PROPOSAL

Santa Barbara County Employees' Retirement System

Timing	Phase	Staff	Hours
	Internal Control Evaluation and Audit Risk Assessment, Establishment of Audit Plan, and Interim Field Work (Continued) <u>Laws and Regulations</u> <ul style="list-style-type: none"> Review and evaluate SBCERS procedures for maintaining compliance with applicable Government Code Sections, the County Employees Retirement Law of 1937 (CERL) and the California Public Employees' Pension Reform Act of 2013 (PEPRA). Test a sample of transactions and/or information to determine SBCERS's compliance with applicable Government Code Sections. 		
September	Year End Audit Fieldwork <ul style="list-style-type: none"> Receive and input trial balance for analysis. Review and evaluate SBCERS accounting and financial reporting. Reconcile custodian and manager confirmations to SBCERS general ledger. Review actuarial study and actuary confirmation for accuracy. Perform analytical testing on revenues and expenditures and evaluate material variances. Perform a search for unrecorded liabilities by reviewing disbursements subsequent to June 30, testing terms of contractual obligations, and interviewing staff. Perform testing and analysis for GASB 72 Fair Value reporting. Perform procedures over GASB 67 and 74 reports. Provide proposed adjustments and financial statement revisions to SBCERS. Other procedures as necessary. Prepare an overall memo of recommendations, potential issues, and suggestions for improvements. Hold exit conference with SBCERS management. 	Partner 14 Manager 32 Senior 60 Staff 104 Clerical 0	
November/ December	Audit Reports <u>ACFR Review</u> <ul style="list-style-type: none"> Receive and review draft financials. Perform review of subsequent events through discussions with management and review of all minutes of the Board and key committees. Review the GFOA comments and ensure corrections have been implemented and all comments addressed. <u>Draft Reports</u> <ul style="list-style-type: none"> Issue drafts of all required reports. Issue draft management letter, if applicable. Present and discuss above reports with SBCERS management. <u>Final Reports</u> <ul style="list-style-type: none"> Issue final reports by December 10th. <u>Presentation of the Audit Results</u> <ul style="list-style-type: none"> Present all reports to the Board of Retirement at the January Board Meeting. 	Partner 16 Manager 25 Senior 36 Staff 16 Clerical 28	
		Total Hours	605

TECHNICAL PROPOSAL

Santa Barbara County Employees' Retirement System

Analytical Procedures

Auditing standards require the use of analytical procedures in the planning and overall review stages of the audit.

We will perform a preliminary analytical review to assist us in planning the nature, timing and extent of auditing procedures that will be used to obtain evidential matter for specific account balances or classes of transactions. This review is focused on our understanding of SBCERS and the transactions and events that have occurred since the last audited financial statements date. Using this we are able to identify areas that may represent specific risks relevant to our audit.

During our audit, we will use analytics in our substantive procedures. This will consist of an amount in the financial statements that we would expect based on our knowledge of SBCERS and other audit evidence. We will determine valid relationships between the items being compared and compute various ratios, percentages and amounts.

We will perform an overall analytical review to assist us in assessing the conclusions reached and in the evaluation of the overall financial statement presentation. We review the financial statements to consider the adequacy of evidence gathered throughout our audit.

Supervision and Review

The review process is constant throughout the engagement. Each working paper prepared by a staff is reviewed by the engagement manager. The engagement partner then reviews all working papers. To be effective, the reviews must be conducted as the engagement progresses and as each important step is completed. Our procedure is for the audit manager and partner to review the work at the conclusion of each significant task through the engagement as an integral quality control procedure. An audit partner not directly involved in the engagement then reviews the financial statements and reports for concurrence prior to report issuance.

Approach to be Taken to Gain and Document an Understanding of SBCERS' Internal Control Structure

Overall controls will be assessed each year using PPC SMART Practice Aids. This software is designed to identify the existence of strengths that would reduce or mitigate the risk of misstatement. Each strength is considered in terms of its effect on each significant financial statement area and the related assertions.

We will perform walkthroughs and/or tests of controls identified as control points in our risk assessment to determine whether the internal controls designed by management are functioning as designed. Our sample sizes generally range from 40 to 60 samples depending on our assessment of control and detection risks. If we do uncover an instance where internal controls failed to detect an error, we will report this instance to management. If the finding is of substance, we will document our findings in a preliminary management letter so that necessary corrections can be made immediately. Based on our test results, we will re-evaluate our preliminary assessment of control risk and make necessary changes to our audit approach.

Approach to be Taken in Determining Laws and Regulations That Will be Subject to Audit Test Work

Our audit procedures will be designed to address the risk and test compliance with laws and regulations. We will inquire of management regarding the identification and management of compliance requirements including any recent legislative decisions affecting employee benefit calculations, contributions or other matters. A review of the Board of Retirement meeting minutes will allow us to identify any recent enactment of laws and regulations, recent court decisions or legal proceedings, or information about contracts and agreements.

During the course of our audit, we remain cognizant for any instances of noncompliance with laws and regulations. Near the conclusion of our audit, we will inquire with SBCERS lawyers regarding litigations, claims and assessments.

I. Procedures for Resolving Potential Audit Problems

In the event problems are identified during the course of our audit procedures, we will resolve the problem as follows:

- Discussion amongst audit team at the time of identified potential audit problem for consultation and consensus amongst the team.
- Consultation and discussion with appropriate SBCERS personnel when identified to ensure all facts are known and agreed upon with the audit team.
- Consultation and discussion with liaison(s).
- Resolution with appropriate SBCERS personnel.
- If applicable, a management letter will be issued documenting the criteria, condition, cause and effect of the issue, along with our recommendation and management's response and corrective action plan. This management letter is presented with our reports to the Board of Retirement.

5. Sealed Dollar Cost Bid

Brown Armstrong's Summary Schedule of Total All-Inclusive Maximum Price is provided in a separate sealed envelope, as requested in the RFP, but it incorporated herein by this reference. The total all-inclusive maximum price contains all direct and indirect costs, including all out-of-pocket expenses.

6. Additional Data and Attachments

I. Peer Review Report

As part of our commitment to quality control, our firm is a member of the Center for Public Firms Auditors Section (Center) of the American Institute of Certified Public Accountants (AICPA). We have completed several External Quality Control reviews under the AICPA's guidance, all of which included one or more governmental audits. As indicated in the report below, our firm received a peer review rating of a "pass," which is the highest rating available.

II. Resumes and Continuing Professional Education

As discussed in Section 2, Attachment II of this proposal contains detailed resumes of each staff member. The resumes identify each person's experience, specialized expertise, continuing professional education and membership in professional organizations relevant to the performance of your audit. We believe we are providing a well-qualified audit team.

III. Summary of Recent Governmental Experience

IV. Sample Contract

Our sample contract is included as Attachment IV.

ADDITIONAL DATA AND ATTACHMENTS

Santa Barbara County Employees' Retirement System

I. Peer Review Report



9250 EAST COSTILLA AVENUE, SUITE 450
GREENWOOD VILLAGE, COLORADO 80112
303-792-3020 (o) | 303-792-5153 (f)
WWW.WCRCPA.COM

REPORT ON FIRM'S SYSTEM OF QUALITY CONTROL

June 27, 2019

To the Shareholders of
Brown Armstrong Accountancy Corporation
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Brown Armstrong Accountancy Corporation (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended October 31, 2018. 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.

RANDY WATSON | JEREMY RYAN | TROY COON | KELLY WATSON | JOHNNIE DOWNING

ADDITIONAL DATA AND ATTACHMENTS

Santa Barbara County Employees' Retirement System

Required Selections and Considerations

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

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

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Brown Armstrong Accountancy Corporation applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended October 31, 2018, 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*. Brown Armstrong Accountancy Corporation has received a peer review rating of *pass*.

Watson Coon Ryan, LLC

Watson Coon Ryan, LLC

ADDITIONAL DATA AND ATTACHMENTS

Santa Barbara County Employees' Retirement System

II. Resumes and Continuing Professional Education



ANDREW PAULDEN

CLIENT RELATIONSHIP PARTNER

EDUCATION

California State University, Chico, 1985

Bachelor of Science Degree in
Business Administration with a
Concentration in Accounting

CONTACT

PHONE:
661-324-4971

WEBSITE:
www.ba.cpa

EMAIL:
apaulden@ba.cpa

BACKGROUND

Andrew is a principal with over 35 years of experience in governmental accounting and has been with the firm since 1985. He has grown within the firm serving a diverse client base. His expertise ranges from special districts and retirement systems to municipal entities and nonprofit organizations. Andrew enjoys working "hands-on" with his clients and will never be too far away from the audit procedures.

Andrew has always ensured that we have the highest level of audit, tax, and consulting services for all of his clients. He is actively involved in a number of professional organizations such as the American Institute of Certified Public Accountants, the California Society of Certified Public Accountants, SACRS, and CALAPRS. He will use this valuable experience to assist SBCERS in continuing to improve your financial reports.

EXPERIENCE

Retirements

Contra Costa County Employees' Retirement Association
City of Fresno Retirement Systems
Fresno County Employees' Retirement Association
Imperial County Employees' Retirement System
Los Angeles City Employees' Retirement System
Los Angeles County Employees' Retirement Association
Los Angeles Fire and Police Pension Plan
Marin County Employees' Retirement Association
Merced County Employees' Retirement Association
San Bernardino County Employees' Retirement Association
San Diego County Employees' Retirement Association
San Francisco Bay Area Rapid Transit Money Purchase Plan
San Francisco Bay Area Rapid Transit Deferred Compensation Plan
San Mateo County Employees' Retirement Association
Santa Barbara County Employees' Retirement System
Sonoma County Employees' Retirement Association
Stanislaus County Employees' Retirement Association
Tulare County Employees' Retirement Association
Ventura County Employees' Retirement Association

Special Districts

Bear Mountain Recreation & Park District
Belridge Water Storage District
Coachella Valley Resource Conservation District
Goleta Water District
Kern Water Bank Authority
Mojave Public Utility District
North of the River Municipal Water District
Port Hueneme Water Agency

ROLES AND RESPONSIBILITIES

- Overall responsibility for maintaining client relationship and audit service
- Advises the client on technical matters and implementation of new accounting pronouncements
- Communicates with executive management regarding audit planning, fieldwork and reporting
- Available throughout the year to ensure proactive issue identification and service delivery

ADDITIONAL DATA AND ATTACHMENTS

Santa Barbara County Employees' Retirement System



NEERAJ DATTA

ENGAGEMENT PARTNER, CPA,
CGMA

EDUCATION

Delhi University, India

Bachelor of Commerce Honors Degree
with a Concentration in Accounting

CONTACT

PHONE:
661-324-4971

WEBSITE:
www.ba.cpa

EMAIL:
ndatta@ba.cpa

BACKGROUND

Neeraj is the engagement partner of the project. He has more than 13 years of governmental auditing experience and 20 years of auditing experience. He has been with the firm since August of 2012, after 8 years of auditing experience that includes Big Four accounting firms, KPMG San Francisco, KPMG New York, Ernst and Young New York, and Deloitte and Touché, Toronto. His primary business focus is governmental entities audit and accounting. His audit specialties include special districts, counties, cities, retirement systems, and investment funds.

Neeraj has always ensured that we provide the highest level of audit and consulting services to all our clients. He will be easily accessible for SBCERS at all times. He is actively involved in a number of professional organizations such as the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants.

EXPERIENCE

Cities

City of Fresno
City of Pasadena
City of Tulare

Counties

County of Fresno
County of Tulare

Special Districts

Cawelo Water District
Carpinteria Valley Water District
Goleta Water District
Mojave Air and Space Port
Pixley Public Utility District

Port Hueneme Water Agency
North of the River Municipal
Water District

Retirements

Fresno County Employees' Retirement Association
Imperial County Employees' Retirement System
Marin County Employees' Retirement Association
San Bernardino County Employees' Retirement Association
San Diego County Employees' Retirement Association
Tulare County Employees' Retirement Association
Ventura County Employees' Retirement Association

Nonprofits

California State University, Sonoma Campus
Pasadena Community Access Corporation
Rotary Club of Bakersfield
Rotary Waterman Foundation
National Test Pilot School

ROLES AND RESPONSIBILITIES

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

ADDITIONAL DATA AND ATTACHMENTS

Santa Barbara County Employees' Retirement System



ALAINA VANDERMADE

ENGAGEMENT MANAGER, CPA

EDUCATION

California Polytechnic State University,
San Luis Obispo, 2009

Bachelor of Science Degree in
Business Administration,
Concentration in Accounting

CONTACT

PHONE:
661-324-4971

WEBSITE:
www.ba.cpa

EMAIL:
avandermande@ba.cpa

BACKGROUND

Alaina is the engagement manager with more than 13 years of governmental auditing experience at Brown Armstrong. Her primary business focus is auditing governmental entities. Her audit specialties include retirement systems, special districts, cities, and counties.

Alaina will be highly involved in the field work and a face to face presence for Brown Armstrong. She and the senior accountant will be easily accessible for SBCERS at all times. She has shown excellent performance in leading fieldwork, as well as creating strong working relationships with clients. She has executed audits in the past with little issues and her strong is detailed planning and ensuring fieldwork runs smoothly. Her ability to manage an audit has become invaluable for Brown Armstrong. She is actively involved in a number of professional organizations such as the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants.

EXPERIENCE

Cities

City of Baldwin Park
City of Delano
City of Laguna Woods

City of Pasadena
City of Seaside
City of Visalia

Counties

County of Kern
County of Napa
County of Riverside
County of San Diego – TTC
Investment Pool

County of Santa Cruz
County of San Joaquin
County of Tulare

Nonprofits

Adventist Health Bakersfield
Desert Haven Enterprises, Inc.
Investment Trust of California
Wind in the Willows Educational Organization

Special Districts

Antelope Valley East Kern Water Agency
First 5 San Mateo
First 5 Ventura
Kern Water Bank Authority
Eastern Kern Air Pollution Control District
Pixley Public Utility District
Western Riverside County Regional Conservation Authority

Retirements

City of Fresno Retirement Systems
Contra Costa County Employees' Retirement Association
Imperial County Employees' Retirement System
Los Angeles County Employees' Retirement System
Marin County Employees' Retirement Association
San Luis Obispo County Pension Trust
Santa Barbara County Employee's Retirement System
Tulare County Employees' Retirement Association
Ventura County Employees' Retirement Association

ROLES AND RESPONSIBILITIES

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

ADDITIONAL DATA AND ATTACHMENTS

Santa Barbara County Employees' Retirement System



NIKKI RIOS

ENGAGEMENT SENIOR

EDUCATION

California State Bakersfield, 2018

Bachelor of Arts Degree in Accounting

CONTACT

PHONE:
661-324-4971

WEBSITE:
www.ba.cpa

EMAIL:
nrios@ba.cpa

BACKGROUND

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

EXPERIENCE

Cities

City of Fresno

City of Tulare

Counties

County of Fresno

County of San Luis Obispo

County of Kern

County of Riverside

County of Merced

County of Santa Cruz

County of Napa

County of Stanislaus

County of San Diego – TTC

Nonprofits

Greater Bakersfield Legal Assistance

Proteus, Inc.

Wind in the Willows Education Organization

Retirements

City of Fresno Retirement Systems

Central Contra Costa Employees' Retirement Association

Fresno County Employees' Retirement Association

San Luis Obispo County Pension Trust

Santa Barbara County Employees' Retirement System

Tulare County Employees' Retirement Association

Ventura County Employees' Retirement Association

Special Districts

First 5 Stanislaus

First 5 Ventura

Kern Water Bank Authority

Minter Field Airport District

Napa Sanitation District

North Coast Unified Air Quality Management District

Olcese Water District

San Joaquin Air Pollution Control District

Transits

Fresno County Transportation Authority

ROLES AND RESPONSIBILITIES

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

ADDITIONAL DATA AND ATTACHMENTS

Santa Barbara County Employees' Retirement System

Our employee's growth is important to us. We don't just recruit great talent, we foster it. Brown Armstrong is committed to go above and beyond the compliance with auditing standards generally accepted in the United States of America. We ensure that all of our professional staff meets continuing professional education (CPE) requirements.

Each year Brown Armstrong organizes four days of CPE seminars in Bakersfield (two, two-day sessions covering 32 hours of CPE) for its professional staff and clients' personnel. One of the two-day CPE seminars is in the middle of January. It covers accounting and auditing updates relating to for-profit businesses (FASB, PCAOB, Fraud, Ethics, and SAS). Another two-day CPE seminar covering primarily governmental accounting and auditing updates (GASB, Yellowbook, Single Audit) is typically in May or June. The course material covers emerging issues, current pronouncements, auditing standards, risk alerts, information systems, reporting issues, California specific fiscal issues, and other topics of interest which concern auditing and accounting with an emphasis on governmental issues. Course materials are prepared by professional lecturers, our partners, managers, and seniors based on their own experience, research, and learning. Last year's attendance included Brown Armstrong professionals, nearly 60 clients, and their accounting staff.

In-house training is provided to our junior professional staff annually and covers a range of topics from audit to information systems. These sessions are usually conducted over several days; both in spring and summer. Frequently our clients request that members of their accounting divisions be included in our in-house training, and we are happy to help our client's staff achieve their continuing professional education requirements. We are also happy to perform in-house training for you and your staff at your discretion.

Andrew J. Paulden, CPA

Governmental 49.5 hours

GASB Basic Financial Statements for State and Local Governments, 2022 (8 hours)
Basic Concepts of Governmental Accounting, Financial Reporting and Auditing, 2022 (6 hours)
Fundamentals of Single Audit, 2022 (8.5 hours)
Government & Nonprofit Update - Day 2, 2022 (2 hours)
Government & Nonprofit Update, 2022 (8 hours)
Annual Update: Top Governmental and Not-for-Profit Accounting and Auditing Issues Facing CPAs, 2020 (4 hours)
Governmental Accounting and Auditing Update, 2020, (4 hours)
Governmental Accounting and Auditing Virtual Conference, 2020 (9 hours)

Neeraj Datta, CPA, CGMA

Governmental 38 hours

Government & Nonprofit Update, 2022 (8 hours)
Government & Nonprofit Update - Day 2, 2022 (2 hours)
Government Pension Accounting and Financial Reporting, 2022 (4 hours)
Governmental and Not-For-Profit Annual Update, 2021 (8 hours)
Governmental and NP Accounting & Auditing, 2021(8 hours)
Governmental Accounting and Auditing Update, 2020 (4 hours)
Annual Update: Top Governmental and Not-for-Profit Accounting and Auditing Issues Facing CPAs, 2020 (4 hours)

Nongovernmental 111 hours

Basic Concepts of Governmental Accounting, Financial Reporting and Auditing, 2022 (2 hours)
Everyday Ethics: Doing Well by Doing Good, 2022 (2 hours)
CPAFMA Connections 2022 (8 hours)
Government & Nonprofit Update - Day 2, 2022 (6 hours)
AuditWatch Accounting & Auditing Update, 2022 (8 hours)
Fraud Update - Ethics & Independence, 2022 (8 hours)
The Good (Ethical Leadership), the Bad (Fraud), and the Ugly (SSARS), 2021 (8 hours)
GAAP - Update of Significant Accounting Topics, 2021 (8 hours)
Annual Update: Top Governmental and Not-for-Profit Accounting and Auditing Issues Facing CPAs, 2020 (4 hours)
Farmers Tax and Accounting Conference, 2020 (9 hours)
Fundamentals of Single Audit Webcast, 2020 (8 hours)
Governmental Accounting and Auditing Update, 2020, (4 hours)
Nonprofit Accounting and Auditing Update Webcast, 2020 (8 hours)
Compilations and Reviews: Risks, Procedures and Fraud Webcast, 2020 (8 hours)
Accounting and Auditing Update Webcast, 2020 (8 hours)
Construction Accounting - The Impact of the New Standards, 2020 (4 hours)
Spidell's 2019/2020 Federal and California Tax Update, 2020 (8 hours)

Nongovernmental 80 hours

2020/2021 Federal and California Tax Update - Part 1, 2021 (4 hours)
2020/2021 Federal and California Tax Update - Part 2, 2021 (4 hours)
2021/2022 Federal and California Tax Update - Part I, 2022 (4 hours)
2021/2022 Federal and California Tax Update - Part II, 2022 (4 hours)
Annual Update: Top Governmental and Not-for-Profit Accounting and Auditing Issues Facing CPAs, 2020 (4 hours)
Applying Key Provisions of Risk Assessment Standards to Improve Audit Effectiveness and Efficiency, 2020 (8 hours)
AuditWatch Accounting & Auditing Update, 2022 (8 hours)
Everyday Ethics: Doing Well by Doing Good, 2022 (2 hours)
Fraud Update - Ethics & Independence, 2022 (8 hours)
GAAP - Update of Significant Accounting Topics, 2021 (8 hours)
Government & Nonprofit Update - Day 2, 2022 (6 hours)
Real World Frauds Found in Governments, 2021 (4 hours)
Recent Changes to Key Topics in Accounting, Auditing, and Attest

ADDITIONAL DATA AND ATTACHMENTS

Santa Barbara County Employees' Retirement System

Eric H. Xin, CPA, MBA

Governmental 42 hours

2022 Annual Required GAQC Webcast, 2022 (2 hours)
2022 State and Local Government Audit Planning Considerations, 2022 (2 hours)
Annual Conference of the State Association of County Auditors, 2022 (6 hours)
Government & Nonprofit Update, 2022 (8 hours)
Government & Nonprofit Update - Day 2, 2022 (2 hours)
Governmental and Not-For-Profit Annual Update, 2021 (8 hours)
Governmental and NP Accounting & Auditing, 2021 (4 hours)
The Head Start Program: COVID-19 Implications and Other Program Updates, 2021 (2 hours)
Governmental Accounting and Auditing Update, 2020 (4 hours)
2020 GAQC Annual Update Webcast, 2020 (2 hours)
2020 Supplement and COVID-19 Single Audit Implications, 2020 (2 hours)

Alaina Vandermade, CPA

Governmental 24 hours

Governmental and NP Accounting & Auditing, 2021 (4 hours)
Governmental and Not-For-Profit Annual Update, 2021 (8 hours)
Annual Update: Top Governmental and Not-for-Profit Accounting and Auditing Issues Facing CPAs, 2020 (4 hours)
Governmental Accounting and Auditing Update, 2020 (8 hours)

Nikki Rios

Governmental 22 hours

Government & Nonprofit Update, 2022 (8 hours)
Government & Nonprofit Update - Day 2, 2022 (2 hours)
Governmental and Not-For-Profit Annual Update, 2021 (8 hours)
Governmental and NP Accounting & Auditing, 2021 (4 hours)

Nongovernmental 112 hours

2021/2022 Federal and California Tax Update - Part I, 2022 (4 hours)
2021/2022 Federal and California Tax Update - Part II, 2022 (4 hours)
Annual Conference of the State Association of County Auditors, 2022 (13.5 hours)
Auditing ERISA Plan Investments, 2022 (1.5 hours)
AuditWatch Accounting & Auditing Update, 2022 (8 hours)
Breaking Down the New Auditor's Report for ERISA Engagements, 2022 (4 hours)
Fraud Update - Ethics & Independence, 2022 (8 hours)
Government & Nonprofit Update - Day 2, 2022 (6 hours)
Planning an ERISA Plan Audit & Auditing the Statements of Net Assets Available for Benefits, 2022 (2 hours)
2020/2021 Federal and California Tax Update - Part 1, 2021 (4 hours)
Annual Conference of the State Association of County Auditors, 2021 (7 hours)
2020/2021 Federal and California Tax Update - Part 2, 2021 (4 hours)
GAAP - Update of Significant Accounting Topics, 2021 (8 hours)
Real World Frauds Found in Governments, 2021 (4 hours)
Recent Changes to Key Topics in Accounting, Auditing, and Attest, 2020 (8 hours)
2021 February GAAC Meeting, 2021 (4 hours)
The Good (Ethical Leadership), the Bad (Fraud), and the Ugly (SSARS), 2021 (8 hours)
Annual Update: Top Governmental and Not-for-Profit Accounting and Auditing Issues Facing CPAs, 2020 (4 hours)
Applying Key Provisions of Risk Assessment Standards to Improve Audit Effectiveness and Efficiency, 2020 (4 hours)
Money Talks - Don't Let it Walk: Prevent and Detect Cash Fraud, 2020 (2 hours)
GAA Committee Meeting October 2020, 2020 (4 hours)

Nongovernmental 97 hours

AuditWatch Accounting & Auditing Update, 2022 (8 hours)
Fraud Update - Ethics & Independence, 2022 (8 hours)
Leadership I: Everyday Essentials - Day 4, 2021 (6 hours)
Leadership I: Everyday Essentials - Day 3, 2021 (6 hours)
Leadership I: Everyday Essentials - Day 2, 2021 (6 hours)
Leadership I: Everyday Essentials - Day 1, 2021 (6 hours)
Next Level Time Management, 2021 (2 hours)
Real World Frauds Found in Governments, 2021 (4 hours)
Annual Update: Top Governmental and Not-for-Profit Accounting and Auditing Issues Facing CPAs, 2020 (4 hours)
Everyday Ethics: Doing Well by Doing Good, 2021 (4 hours)
The Good (Ethical Leadership), the Bad (Fraud), and the Ugly (SSARS), 2021 (8 hours)
GAAP - Update of Significant Accounting Topics, 2021 (8 hours)
Documenting Your EBP Audit: What You Need to Know, 2020 (8 hours)
Virus? What Virus? Financial Reporting Implications of the Covid-19 Pandemic, 2020 (1 hour)
Risky Business - Conducting Remote Audits in Uncertain Times, 2020 (1 hour)
COVID-19: Business Planning and Impacts, 2020 (1 hour)
Applying Key Provisions of Risk Assessment Standards to Improve Audit Effectiveness and Efficiency, 2020 (8 hours)
Recent Changes to Key Topics in Accounting, Auditing, and Attest, 2020 (8 hours)

Nongovernmental 50 hours

Applying Key Provisions of Risk Assessment Standards to Improve Audit Effectiveness and Efficiency, 2020 (8 hours)
AuditWatch Accounting & Auditing Update, 2022 (8 hours)
Fraud Update - Ethics & Independence, 2022 (8 hours)
GAAP - Update of Significant Accounting Topics, 2021 (8 hours)
Government & Nonprofit Update - Day 2, 2022 (6 hours)
Real World Frauds Found in Governments, 2021 (4 hours)
The Good (Ethical Leadership), the Bad (Fraud), and the Ugly (SSARS), 2021 (8 hours)

ADDITIONAL DATA AND ATTACHMENTS

Santa Barbara County Employees' Retirement System

III. Summary of Recent Governmental Experience

CITIES	RETIREMENT PLANS	SPECIAL DISTRICTS
City of Bakersfield City of Fresno City of Huron City of Laguna Woods City of Morro Bay City of Paso Robles City of St. Helena City of Tulare	Contra Costa County Employees' Retirement Association City of Fresno Employees' Retirement Systems Fresno County Employees' Retirement Association Imperial County Employees' Retirement System Kern County Employees' Retirement Association Los Angeles Fire and Police Pension System Los Angeles City Employees' Retirement System Los Angeles County Employees' Retirement Association Marin County Employees' Retirement Association Merced County Employees' Retirement Association Mendocino County Employees' Retirement Association Sacramento County Employees' Retirement System San Bernardino County Employees Retirement Association	Antelope Valley East Kern Water Agency Bear Mountain Recreation and Park District Buena Vista Water Storage District California Valley Community Services District Carpinteria Valley Water District Cawelo Water District East Bay Regional Park District Eastern Kern Air Pollution Control District Golden Valley Municipal Water District Goleta Water District Indian Wells Valley Groundwater Authority James Water Bank Authority Kern Tulare Water District
FIRST 5s	San Diego City Employees' Retirement System	Kern Water Bank Authority
First 5 Kern First 5 Merced First 5 Monterey First 5 Napa First 5 San Mateo First 5 Sonoma First 5 Ventura	San Diego County Employees' Retirement Association San Francisco Bay Area Rapid Transit District Money Purchase Plan and Deferred Compensation Plan San Joaquin County Employees' Retirement Association San Joaquin Regional Transit District Retirement Plans San Luis Obispo County Employees' Pension Trust San Mateo County Employees' Retirement Association Santa Barbara County Employees' Retirement System	Lake Isabella Community Services District Lamont Public Utility District Lebec County Water District Mojave Public Utility District North Kern Cemetery District North Coast Unified Air Quality Management District Riverside County Habitat Conservation Agency Pixley Public Utility District
COUNTIES	Sonoma County Employees' Retirement Association	Port Hueneme Water Agency
County of Fresno County of Kern County of Merced County of Riverside County of San Joaquin County of Santa Barbara County of Santa Cruz County of Stanislaus County of Tulare County of Napa	Stanislaus County Employees Retirement Association Tulare County Employees' Retirement Association Ventura County Employees' Retirement Association	San Joaquin Area Flood Control Agency San Joaquin Valley Air Pollution Control District San Luis Obispo County Integrated Waste Management Authority Shafter Recreation and Park District Sonoma County Public Safety Consortium South San Joaquin Irrigation District Visalia Public Cemetery District West Valley County Water District Westside Mosquito Abatement District
SCHOOLS DISTRICTS	NONPROFITS	HEALTHCARE
Richland School District	Bakersfield ARC Community Action Partnership of Kern Community Action Partnership of San Luis Obispo Community Action Partnership of Madera County Kern County Bar Association Kern County Library Foundation Missionary Church Western Regional Tranquil Waters Guidance Center Valley Consortium for Medical Education Women's Center - High Desert	Kern Health Systems Kern Medical Liberty Health Advantage Heritage Provider Network Heritage California Medical Group Heritage New York Medical Group Southwest Health Care District Riverside County Health System - Medical Center San Joaquin County General Hospital
TRANSIT DISTRICTS		
Anaheim Transportation Network Antelope Valley Transit Authority Central Contra Costa Transit Authority Eastern Contra Costa Transit Authority Fresno County Transportation Authority Gold Coast Transit District Golden Empire Transit District Kern Council of Governments Kings County Area Public Transit Agency Marin County Transit District Napa Valley Transportation Authority Peninsula Corridor Joint Powers Board		Riverside County Transportation Commission Riverside Transit Agency San Joaquin Council of Governments San Joaquin Regional Transit District San Luis Obispo Council of Governments Santa Cruz Metropolitan Transit District Solano County Transit Stanislaus Council of Governments Stanislaus Regional Transit Authority Tulare County Association of Governments Tulare County Regional Transit Agency

IV. Sample Contract

AUDITING SERVICES AGREEMENT

BROWN ARMSTRONG ACCOUNTANCY CORPORATION

This Agreement is made and entered into as of _____, 2022, in _____, California, by and between the _____ COUNTY EMPLOYEES' RETIREMENT SYSTEM (hereinafter referred to as "CERS") and BROWN ARMSTRONG, ACCOUNTANCY CORPORATION (hereinafter referred to as "AUDITOR").

WHEREAS, CERS was created pursuant to the County Employees Retirement Law of 1937 (hereinafter referred to as the "37 ACT") and is administered by the Board of Retirement (hereinafter referred to as the "BOARD" or "retirement board");

WHEREAS, pursuant to Government Code section 31593, "*The retirement board shall conduct an audit of the retirement system at least once every 12 months and report upon its financial condition. The retirement board may retain the services of a certified public accountant to perform the annual audit. That audit shall be performed in accordance with generally accepted auditing standards.... The audit report shall address the financial condition of the retirement system, internal auditing controls, and compliance with applicable laws and regulations*";

WHEREAS, AUDITOR is qualified to be a "certified public accountant" and is qualified to perform an audit in accordance with the generally accepted auditing standards ("GAAS") as set forth by the American Institute of Certified Public Accountants ("AICPA"), and with the "*Minimum Audit Requirements and Reporting Guidelines for California Public Retirement Systems*," issued by the California State Controller; and

WHEREAS, the BOARD has determined that it would be in the best interest of CERS if AUDITOR were to be retained to provide the accounting services set forth herein below and, accordingly, authorized its CEO to execute this Agreement;

NOW, THEREFORE, in consideration of the above-stated premises, the terms, covenants and conditions hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto do hereby agree as follows:

1. DESCRIPTION OF AUDITING SERVICES. The BOARD hereby retains the services of AUDITOR and AUDITOR hereby accepts and assumes responsibility to provide such services for three years beginning with fiscal year ending June 30, 20XX, through June 30, 20XX, as are described in Exhibit "A" hereto.

2. STANDARD OF CARE. The AUDITOR shall discharge its duties under this Agreement with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent expert acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

ADDITIONAL DATA AND ATTACHMENTS

Santa Barbara County Employees' Retirement System

3. PAYMENTS FOR AUDITING SERVICES. In consideration of the services rendered in accordance with all terms and conditions and specifications set forth herein and Exhibit "B", BOARD shall make payment for auditing services to AUDITOR. The AUDITOR will progress bill, as work is performed, on a monthly basis and will not exceed contract maximum. Any amendments to the fee schedule in Exhibit "B", agreed to by both parties shall be set forth in a written modification to the Agreement. The fees set forth in Exhibit "B" shall be the sole compensation owed by or to any person for AUDITOR's services under this Agreement.

4. RELATIONSHIP OF THE PARTIES. It is understood that this is an Agreement by and between CERS, through its BOARD, and an independent contractor and it is not intended to, and shall not be construed to, create the relationship of agent, servant, employee, partnership, joint venture or association, or any other relationship whatsoever other than that of independent contractor.

5. AUDITOR AND ITS AGENTS.

A. AUDITOR's personnel who will be responsible for performing under this Agreement are individuals experienced in performance of the various functions contemplated by this Agreement.

B. AUDITOR's firm and engagement principal assigned to perform services under this Agreement are properly licensed to practice as certified public accountants in the State of California and are in good standing with the California Board of Accountancy and all other applicable licensing authorities.

C. Neither AUDITOR nor any of its shareholders, officers, employees or agents have been convicted of any crime or found liable in a civil or administrative proceeding or pleaded no contest, or agreed to any consent decree with respect to any matter involving infringement of intellectual property rights, breach of fiduciary duty, willful misconduct, fraud, bad faith, improper or unethical practice, or violation of any statute or other regulatory standard.

6. ACKNOWLEDGMENTS, REPRESENTATIONS, WARRANTIES & AGREEMENTS. The foregoing acknowledgments, representations, warranties and agreements are understood to be relied upon by the BOARD, and, at the request of the BOARD, the AUDITOR will furnish such evidence as may reasonably be requested by the BOARD that such acknowledgements, representations, warranties and agreements continue to be true.

7. NON-ASSIGNABILITY. AUDITOR shall not assign this Agreement or any portion thereof to a third party without the prior written consent of the BOARD, and any attempted assignment without such prior written consent in violation of this section automatically shall terminate this Agreement.

ADDITIONAL DATA AND ATTACHMENTS

Santa Barbara County Employees' Retirement System

8. TERM AND TERMINATION. This Agreement shall be in effect for a term of three years, starting _____, 2022. Either party may terminate this Agreement at any time for any reason by providing thirty (30) days written notice. Termination to be effective on the date specified in the notice. In the event of termination under this paragraph, AUDITOR shall be paid for all work provided to the date of termination.

9. INDEMNIFICATION. The AUDITOR agrees to indemnify, defend and hold harmless CERS, its BOARD, trustees, officers and employees from any and all claims, actions, losses, damages, and/or liability arising from AUDITOR's negligent acts, errors or omissions and for any costs or expenses incurred by CERS on account of any claim thereof, except where such indemnification is prohibited by law.

10. INSURANCE. Without in any manner affecting the indemnity herein provided and in addition thereto, the AUDITOR shall secure and maintain throughout the Agreement the following types of insurance with limits as shown:

A. Workers' Compensation - A program of Workers' Compensation Insurance or a State Approved Self-Insurance Program in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employer's Liability with \$500,000 limits, covering all persons providing services on behalf of AUDITOR and all risks to such persons under this Agreement.

B. Comprehensive General and Automobile Liability Insurance - This coverage to include contractual coverage and automobile liability coverage for owned, hired and non-owned vehicles. The policy shall have combined single limits for bodily injury and property damage of not less than one million dollars (\$1,000,000).

C. Professional Errors and Omissions Liability Insurance - AUDITOR will secure and maintain an insurance policy for Professional Errors and Omissions insurance with coverage of at least two million dollars (\$2,000,000.00) per claim or occurrence and shall cover all AUDITOR's officers, owners, employees, and agents.

11. ADDITIONAL NAMED INSURED. All policies, except for the Workers' Compensation policy shall contain additional endorsements naming CERS and its BOARD members, officers, employees, agents, and volunteers as additional named insured with respect to liabilities arising out of the performance of services hereunder.

12. WAIVER OF SUBROGATION RIGHTS. Except for Professional Errors and Omissions Liability, AUDITOR shall require the carriers of the above-required coverages to waive all rights of subrogation against CERS, its BOARD, trustees, officers, and employees.

13. POLICIES PRIMARY AND NON-CONTRIBUTORY. All policies required above are to be primary and non-contributory with any insurance or self insurance programs carried or administered by CERS.

ADDITIONAL DATA AND ATTACHMENTS

Santa Barbara County Employees' Retirement System

14. PROOF OF COVERAGE. AUDITOR shall immediately furnish certificates of Insurance to the Retirement Accounting Manager evidencing the Insurance coverage, including endorsements, required above, which certificates shall provide that such Insurance shall not be terminated or expire without thirty (30) days written notice to CERS, and AUDITOR shall maintain such insurance from the time AUDITOR commences performance of services hereunder until the completion of such services. Within sixty (60) days of the commencement of this Agreement, the AUDITOR shall furnish certified copies of the policies and all endorsements.

15. FORCE MAJEURE.

A. In the event AUDITOR is unable to comply with any provision of this Agreement due to causes beyond their control relating to acts of God, acts of war, civil disorders, or other similar acts, AUDITOR shall not be held liable to CERS for such failure to comply.

B. In the event CERS is unable to comply with any provision of this Agreement due to causes beyond their control relating to acts of God, acts of war, civil disorders, or other similar acts, CERS shall not be held liable to AUDITOR for such failure to comply.

16. NOTICES AND REPORTS. Any notices and reports required or desired to be services by either party upon the other shall be addressed to respective parties as set forth below:

CERS: _____, Chief Executive Officer
_____ County Employees' Retirement System
Address
City, State Zip
Phone

AUDITOR: _____, CPA, Principal

Brown Armstrong Accountancy Corporation
4200 Truxtun Ave., Suite 300
Bakersfield, CA 93309
(661) 324-4971

17. GOVERNING LAW AND VENUE. This Agreement will be construed in accordance with and governed by the laws of the State of California as it applies to domiciliaries thereof. Should any party file a lawsuit over any matter arising out of this Agreement, the parties agree that this contract shall be deemed to have been entered into in the County of _____ and that it is to be performed there and that, accordingly, said lawsuit will be filed and prosecuted in the County of _____, State of California, and all parties hereto hereby consent to such venue and the personal jurisdiction of all courts sitting within such local.

ADDITIONAL DATA AND ATTACHMENTS

Santa Barbara County Employees' Retirement System

18. ASSURANCE OF COMPLIANCE WITH CIVIL RIGHTS LAWS. AUDITOR hereby agrees and represents that it is an equal opportunity employer and has adopted policies to implement the purpose and provisions of the Civil Rights Act of 1964, 42 USC § 2000(e) et seq. to assure that no person is denied employment on the basis of race, creed, color, sex or national origin in connection with its performance of this Agreement.
19. EQUAL OPPORTUNITY CLAUSE. The AUDITOR shall ensure that qualified applicants are employed, and that employees are treated fairly during employment, without regard to their race, color, religion, sex, handicap, ancestry or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
20. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original.
21. CONFIDENTIALITY. Except as provided by applicable law, or by order of a court or regulatory authority, AUDITOR shall maintain the confidentiality of all its records with respect to this Agreement, including, but not limited to, records pertaining to CERS members and SBERS financial records. AUDITOR shall maintain the same confidentiality of these records as it does for other accounts.
22. VALIDITY. The invalidity in whole or in part of any provisions of this Agreement shall not void or affect the validity of any other provision.
23. WAIVER. No waiver of a breach of any provision of this Agreement by either party shall constitute a waiver of any other breach of said provision or any other provision of this Agreement. No waiver will be enforceable unless it is a written agreement executed by the party granting the waiver, making specific reference to this Agreement and reciting the parties' intention that it constitutes a waiver. Failure of either party to enforce at any time, or from time to time, any provisions of this Agreement shall not be construed as a waiver thereof. The remedies herein reserved shall be cumulative and additional to any other remedies in law or equity.
24. ATTORNEY FEES. In the event of any litigation regarding this Agreement, the prevailing party as determined by the appropriate court shall be entitled to recover reasonable attorney's fees.
25. CHANGES AND AMENDMENTS. CERS and AUDITOR reserve the right to amend any such terms and conditions of this Agreement, which may become necessary. Any revisions hereto will be accomplished by written agreement executed by both of the parties making specific reference to this Agreement and reciting the parties' intention that it constitute an amendment.

ADDITIONAL DATA AND ATTACHMENTS

Santa Barbara County Employees' Retirement System

26. MERGER. This Agreement, and the Exhibits attached hereto, will constitute the complete and exclusive statement of understanding between the parties, superseding all previous agreements, written or oral, and all other previous communication between the parties relating to the subject matter of this Agreement.

27. SOLE PROPERTY OF CERS. Any system, documents or reports developed, produced or provided under this Agreement shall become the sole property of CERS.

28. AGREEMENT RENEWAL. This Agreement may be renewed for additional time periods provided that both parties sign renewal documents and the total payments during the renewal terms are specified.

29. CONSTRUCTION AND INTERPRETATION. This Agreement contains the entire agreement of the parties. No other agreement, statement, or promise made on or before the effective date of this agreement will be binding on the parties. This agreement may be modified by subsequent agreement of the parties only by an instrument in writing signed by both of them. If any provision of this agreement is held in whole or in part to be unenforceability for any reason, the remainder of that provision and of the entire Agreement will be severable and will remain in effect.

EXECUTED AND AGREED TO by the parties as of the date first written above by their duly authorized representatives:

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

_____ COUNTY
EMPLOYEES' RETIREMENT SYSTEM

By: _____
Name: _____
Title: Principal

By: _____
Name: _____
Title: Chief Executive Officer