



Kensington Police Protection and Community Services District

MEETING AGENDA

January 9, 2020

52 Arlington Avenue, Kensington, California

Special Meeting Closed Session: 7:00 P.M

Regular Meeting: 7:30 P.M.

1. Call to Order/Roll Call 7:00 P.M.
2. Public Comments: Members of the public may address the Board for up to three minutes on items listed on the closed session agenda.
3. Adjourn to Closed Session
 - a. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
 - i. Title: General Manager
4. Call to Order/Roll Call 7:30 P.M.
5. General Public Comments: Members of the public may address the Board for up to three minutes on items not listed on the agenda but that are within the jurisdiction of the District.
6. Board/Staff Communications
 - a. General Manager
 - b. Interim Chief of Police
 - c. Board
7. Naming of committee members and board coordinators – Action Item
8. Proposal for new computer systems and software for office – Action Item
9. Proposal to engage Maze and Associates to provide oversight and coordination of district accounting activities – Action Item

ADJOURNMENT

Our next regular meeting will be January 23, 2020

Rules of Decorum at Meetings

1. Persons wishing to speak shall line up on the left side of the room. Please observe our three-minute per person limit (once per item) and twenty-minute total limit, per Board Policy 4120.4.1.
2. Members of the public may address the board on items not listed on the agenda but that are within the jurisdiction of the District during the General Public Comments section.
 - Members of the Public may address the Board on items agendized for discussion and/or action after any report has been presented by appropriate staff or director and the Board has raised its questions regarding that report.
 - If there are several speakers, please be concise to give others the opportunity to speak.
 - All persons wishing to speak shall do so at the podium and address their comments to the Board.
 - If any meeting is willfully interrupted so as to render the orderly conduct of the meeting unfeasible, the Board President may order the person or group of persons causing the disruption removed.
 - If removal of the person or group of persons causing the disruption of the meeting does not restore order, the Board President may order the room cleared of all members of the public except members of the media and proceed to address the remaining items on the agenda.

General Information

- All proceedings of the Open Session will be audio recorded and, if possible, video recorded.
- The District has devices for hearing assistance. Please contact GM Anthony Constantouros for information about the equipment.
- Upon request, the Kensington Police Protection and Community Services District will provide written agenda materials in appropriate alternative formats or disability-related modification of disabilities to participate in public meeting. Please send written request, including your name, mailing address, phone number, and a brief description of the requested materials and preferred alternative format or auxiliary aid or service at least two days before the meeting. Requests should be sent to: Kensington Police Protection & Community Services District, 217 Arlington Ave, Kensington, CA 94707

POSTED: Public Safety Building – Colusa Food – Arlington Kiosk and at www.kppcsd.org
Complete agenda packets are available at the Public Safety Building.

All public records that relate to an open session item of a meeting of the Kensington Police Protection & Community Services District that are distributed to a majority of the Board less than 72 hours before the meeting, excluding records that are exempt from disclosure pursuant to the California Public Records Act, will be available for inspection at the **District offices, 217 Arlington Ave, Kensington, CA 94707** at the same time that those records are distributed or made available to a majority of the Board

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

BOARD OF DIRECTORS MEETING

January 9, 2020

KPPCSD: REPLACEMENT OF KPPCSD OFFICE COMPUTERS & OPERATING SYSTEMS

BACKGROUND

The KPPCSD offices currently has ten (10) workstations that are used to conduct official district and police business. All but one (1) of these workstations have computers that are utilizing Windows 7 operating system. This operating system was originally issued in October of 2009, just over a decade ago. Windows 7 will no longer be supported by Microsoft on January 14th, 2020, leaving our computers vulnerable to cyberattacks and other such security risks. Windows 7 is not acceptable by the California Department of Justice for the transmittal of CLETS information which is required for standard police functions.

The computer workstations currently in use are not capable of running the Windows 10 operating system. In order to properly upgrade to Windows 10 and maintain industry standards and security compliance, the District must also upgrade the computers themselves and not just the operating system.

One workstation has been upgraded to keep the District within compliance; however, the remaining work stations need to be replaced. In addition to replacing the single workstation, the District has also begun the switch to Microsoft Office 365 which includes the migration of email. The purpose behind this change is to move the District forward to a process in which Public Records Acts requests can be handled in a more expeditious and precise manner.

The KPPCSD contracts for Information Technology with Rubiconn, LLC, who has overseen District computer and technology for the last several years. Rubiconn has provided a quote for replacing the KPPCSD office workstations, including the upgrade to Microsoft Office 365, for a total of \$12,441. The initial phase of one desktop computer and email migration has already been purchased, the remaining balance to complete the needed changes is \$8,792. There will be an annual and ongoing cost of \$30 per email address per month; an example of the total monthly cost would be \$600 for twenty (20) email addresses.

RECOMMENDATION

Authorize the purchase of office workstations, upgrade to Microsoft Office 365 for \$8,792 and \$30 monthly cost per email address, as noted above, with Rubiconn, LLC.

ATTACHMENTS:

Quote from Rubiconn, LLC

SUBMITTED BY: Steve Simpkins, Interim Chief of Police

Overview

The current desktops at KPPCSD are all running Microsoft Windows version 7 and are currently 6 years old (except for the front desk). Based on their age and that Microsoft will be discontinuing support for Windows 7 on January 14, 2020 we are recommending the following upgrades. This implementation also includes migrating to Microsoft hosted Exchange email and MS Office application cloud solutions. There are a number of benefits to 365 including portable software licensing, software upgrades and better compliance options.

Workstation Upgrades

Recommended Workstations

Dell Precision 3431
Intel Core i5-9500, 6 Core, 9MB Cache, 3.0Ghz, 4.4 Ghz Turbo w/UHD Graphics 630
Windows 10 Pro 64bit
Intel Integrated Graphics
Precision 3431 Tower with 200W
8GB 1X8GB DDR4 2666MHz UDIMM Non-ECC Memory
C3 M.2 PCIe Boot SSD
Integrated Intel SATA Control
M.2 256GB PCIe NVMe Class 40 Solid State Drive
Dell MS116 Wired Mouse
US Power Cord

Dell 24" Monitor P2419H

Cost \$ 1099 QTY: 9

Sub \$ 9,891

Office 365/Email Migration and E-Discovery for Compliance

Once we have authorization to move forward, we will start the process to build out your new office365 mailboxes, configure the Barracuda services & create the new user accounts as needed. We then will use our migration platform to verify all the settings for the old & new mailboxes, and then begin the first stage of the migration.

The first stage of the migration pulls all items that are older than 30 days and transfers them into the new accounts (this leaves only a small amount of mail, contacts calendars and data to transfer in the final stages, to speed that process up).

The next steps are for us to change the domain records to direct all new mail to come into and go out of the new office365 mailboxes. **(This is when your users will need to stop using**

their email till we get them set up on the new platform) This process generally is pretty quick however it can take up to 48hours to fully propagate. We then kick off the final migration of the remaining data and check our migration platform to retry any errors and to make sure that all data was migrated (including anything that may have come in during the domain record transition).

The next big step for us is to work with the end users to help them share out calendars and to help them with any complications that may come up. As a reminder calendar events that had invitees will need to be recreated if there are any changes (those settings are not able to transition to O365).

The whole process will take a couple of days and we typically like to plan these over a slow weekend as to cause the least impact to your business. Most of the migration happens behind the scenes but we will want to schedule time blocks with the users to get each one set up that day after the migration happens.

If you have any questions/ concerns, please let us know so that we can answer and make sure the process goes as smooth as possible.

Cost

\$2,550 One Time Migration and New Workstation Setup – includes migrating mail, contacts, calendars and Outlook items (users will need to re share calendars as needed since that will not transfer) and new workstation installation and setup.

\$9,891 New Workstations – New workstations

\$30/mailbox per month – Office 365 Business Premium (Office desktop apps, Exchange, Sharepoint, Onedrive Business, Teams) - This would Provide the full desktop apps to those who need them and also includes the Barracuda filtering, archival system, backup and search features.

\$25/mailbox per month – Standalone mailboxes (does not include office apps) these would be for the Board members and other misc email accounts. includes the Barracuda filtering, archival system, backup and search features.

Please note there is a one year commitment for these services

Barracuda Office365 Features.

Inbound filtering - Advanced Threat protection

Barracuda's Advanced Threat Protection (ATP) combines behavioral, heuristic, and sandboxing technologies to protect against zero hour and targeted attacks. ATP automatically scans email attachments in real-time; suspicious attachments are detonated in a sandbox environment to observe behavior. In addition to blocking the attachment, the results are integrated into the Barracuda Real Time System providing protection for all other customers.

Anti-Phishing

The Barracuda Essentials combats phishing attempts by combining anti-fraud intelligence, behavioral and heuristic detection, protection against sender spoofing (i.e., spammers spoofing valid email addresses), along with domain name validation to detect and block phishing attempts.

Malware Scanning

The Barracuda Essentials leverages the cloud for dynamic, real time threat analysis, attachment sandboxing and URL protection to prevent malware from affecting email users.

Known Bad link detection

Anti-phishing also includes Link Protection. A popular method that attackers use to deliver malware relies on URLs that contain malicious code, which can be invisibly downloaded and can trigger a much larger attack. Link Protection automatically rewrites these URLs so that the Barracuda Essentials for Email Security can sandbox the request at click time to block malicious links.

Archiving, Compliance and eDiscovery (Optional)

Granular retention policies

Barracuda Essentials provides a cloud-based archive of all email communication to ensure that you meet demanding business and legal requirements. It follows the accepted “best practice” approach for compliance by archiving an original copy of every email into a separate immutable store for long term retention and preservation.

Compliance and eDiscovery capabilities provided within Office 365 may be adequate for some organizations, but the “in-place” approach Microsoft takes for long-term email retention and preservation means these capabilities have inherent limitations. They can be complex and expensive to operate, and are unlikely to meet the needs of organizations with more demanding compliance and discovery requirements.

Barracuda Essentials for Office 365 includes a cloud-based, indexed archive separate from Office 365 that allows for granular retention policies, extensive search, auditing, permissions, legal hold and export of emails that may be required in eDiscovery. Litigation holds preserve email from being tampered with until the litigation hold expires or is removed.

Powerful Search and eDiscovery

The Barracuda Cloud Archiving Service offers easy-to-use search capabilities, ranging from the most basic search by a user for a misplaced email to advanced Boolean search strategies for an auditor during an eDiscovery request.

Barracuda offers native and mobile apps for Android and iOS that simplify search to ensure messages are found easily even when email services are unavailable. Mobile users can search, download and respond to any email ever sent or received, even if deleted from the server. Because all email is indexed, search is often much faster than typical native mobile email applications and provides a much higher search success rate. Users can forward, reply or resend email to themselves.

Backup, Recovery & Continuity

Email Service Continuity

The Email Continuity Service ensures that email operations continue by failing over to a cloud-based, email service, in the event primary email services become unavailable. During email server outages, an emergency mailbox allows users to continue sending, receiving, reading, and responding to email.

Cloud to Cloud Backup and recovery – Backup for Office365 mail, Onedrive & Sharepoint
Hosting production data in the cloud does not mitigate the need for backup and recovery. Emails and important documents are susceptible to corruption and risk being unrecoverable due to malicious attacks or even accidental deletion. Barracuda Essentials for Office 365 protects Exchange Online, SharePoint Online, and OneDrive for Business data by backing it up directly to Barracuda Cloud Storage.

Barracuda Backup is the world's most widely used integrated backup appliance, according to IDC's Purpose-Built Appliance Tracker. Barracuda Essentials for Office 365 utilizes Barracuda's award-winning technology and data protection expertise to employee mailboxes in Exchange Online and corporate data hosted in SharePoint Online and OneDrive for Business for point-in-time recovery. These solutions can be deployed separately or together to cover your cloud-based data protection needs.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

BOARD OF DIRECTORS MEETING JANUARY 9, 2020

KPPCSD: APPROVAL OF AGREEMENT WITH MAZE & ASSOCIATES TO PROVIDE OVERSIGHT AND COORDINATION OF DISTRICT ACCOUNTING ACTIVITIES

SUMMARY

There is a continuing need for an outside Accounting professional to oversee the accounting function to ensure good internal controls and oversee any accounting issues that may arise. In past years, accounting oversight has been provided by one individual. With Deborah Russell indicating that she wishes to discontinue in this capacity, the District has explored options to fill this role. It would be preferable to hire a firm to provide these services. A firm has the advantage of not being dependent on one individual and provides redundancy. The District is continuing the practice of outside accounting oversight, at less cost and improved oversight.

The part-time Finance and Business Manager needs to ensure the segregation of duties and solid internal controls for the financial processes. Having one employee do everything is not a good internal control. Maze and Associates is a mid-size CPA firm that specializes in local governments. They have excellent references and have provided similar services to small local governments.

In addition, District staff is very small, as is the case with many special districts. This means that if any one staff member is on vacation, ill or separates from employment, there is no one remaining to address critical accounting and financial functions. Retaining a CPA firm will ensure that the District has as-needed services available.

The District payroll system has been a cumbersome and time-consuming activity. This has been brought to the Board's attention in past reports and is an activity that can be improved with reduced cost to administer. The District Finance and Business Manager has been with the District since early November 2019 and has identified a number of areas that can be improved. The highest immediate priority was to process payroll in an efficient and timely manner.

Notably, the firm will not provide audit services, to avoid conflicts of interest. The contract also provides that the hourly cost of the services will depend on the level of the professional performing them. Although there will be an initial start-up cost, the on-going annual cost is projected at \$15,000.

Duties for Maze and Associates:

1. Priority #1: Maze will help with payroll process

It has been determined that the District's temp staff takes an inordinate amount of time processing payroll (nearly 40 hours). Goal is to get payroll down to a 2-5 hour per period processing time and have the physical processing of it outsourced to a company such as ADP, Paylocity or the like. The cost for this will be minimal (\$200-300 per month), but it will take the tax filing liability off the district and make the payroll process more automated, by using a payroll system.

2. Maze will be taking over monthly bank reconciliations:

Day to day financial operations are to be input and maintained by district staff. In order to maintain a strong internal control structure and segregation of duties, bank/treasury reconciliations will be performed by Maze & Associates. County GL records provided to the District will be reconciled to QB activities and discrepancies investigated by Maze. Credit card reconciliations will also be reconciled to the GL in a similar manner.

Through this process revenue, expenditure & balance sheet transaction classifications will be reviewed. Results of the reconciliation will be shared and approved by District Management.

3. Maze will participate with Management in budget modeling for FY 20-21.

- a. Draft appropriations limit to be reviewed by management and the board

4. Act as audit liaison for FY 19-20

- a. Coordinate timing of audit
- b. Book FYE closing entries
- c. Prepare audit worksheets
- d. Address audit open items and ensure filing compliance with other entities
- e. Having a CPA that specializes in local governments and knows all the current GASB regulations will cut down the audit time and make the audit run smoothly.

RECOMMENDATION:

Approve Agreement with Maze & Associates subject to review and approval of the General Counsel.

FISCAL IMPACT:

Projected costs for the initial four months at \$4,000/month; on-going services at \$1,000/month. This will result in an initial annual cost this fiscal year of approximately \$20,000; future annual cost is projected at \$15,000/year; Ms. Russell's annual cost for the last two years has averaged approximately \$26,000.

SUBMITTED BY: Katherine Korsak, District Finance and Business Manager

ATTACHMENTS:

Proposal from Maze & Associates

October 28, 2019

Kensington Police Protection and Community Services District
Attn: Mr. Tony Constantouros
General Manager
217 Arlington Avenue
Kensington, CA 94707

Dear Tony,

We are pleased to attach an electronic copy of our Proposal to Provide Professional Accounting Services to the Kensington Police Protection and Community Services District.

We look forward to the opportunity to work with you!

Yours very truly,

A handwritten signature in black ink, appearing to read 'Timothy J. Krisch', with a stylized flourish at the end.

Timothy J. Krisch, CPA

TJK: saa

Enclosures

PROPOSAL
To Provide
Professional Accounting Services
For the



Submitted By

Maze & Associates
3478 Buskirk Avenue, Suite 215
Pleasant Hill, CA 94523
(925) 930-0902

October 28, 2019

Contact Persons

Timothy J. Krisch – Timk@mazeassociates.com
Peter Medina – Peterm@mazeassociates.com

**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
ACCOUNTING SERVICES PROPOSAL**

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October 28, 2019

Kensington Police Protection and Community Services District
Attn: Mr. Tony Constantouros
General Manager
217 Arlington Avenue
Kensington, CA 94707

Dear Tony,

We strongly believe that we can provide your Organization the services you need and can further develop an excellent working relationship with you and your Organization. We are quite certain we are the best qualified firm to be your independent accountants and we have summarized our reasons below:

- We can provide you with professional and technical accounting assistance in the administration and implementation of the Organization's financial, auditing and accounting programs.
- The people assigned to your work were picked because of their depth of experience in accounting services.
- Our references--indeed, any of our present clients--will confirm we are your best choice.

Most important, **we are in business to help our clients succeed.** We use our independence and our professional skills to help you achieve your goals and avoid pitfalls and problems.

We have no doubt that we are the firm best qualified to perform this engagement. After you have analyzed our proposal and - most important - talked with our references, we are quite confident you will agree.

We look forward to working with you!

Yours very truly,

A handwritten signature in black ink that reads 'Timothy J. Krisch'.

Timothy J. Krisch, CPA
CEO

TJK: saa

FIRM QUALIFICATIONS AND EXPERIENCE

Overview

We are a professional services corporation located in Pleasant Hill, California. We presently have a total of fifty-four people, including seven Shareholders, three Directors, three Managers, eleven Supervisors, nine Senior Associates, fifteen Associates and six Administrative Staff. Sixteen of our professional staff are California Certified Public Accountants and two additional staff are in the process of completing their applications for licensure. Most of our professional staff comprise our governmental audit staff, as our firm's emphasis is on governmental auditing and accounting. Several of our professional staff have national accounting firm experience, which we have blended with the more personal approach of a smaller firm.

References

We have selected the clients below as references because they have some similarities with your Organization or the people assigned to your engagement have played important parts in these engagements. However, we encourage you to call any of our clients for a reference.

Montara and Sanitary District

Principal Contact – Clemens Heldmaier, General Manager, (650) 728-3545

Stinson Beach County Water District

Principal Contact – Ed Schmidt, General Manager (415) 868-1333

Bolinas Community Public Utility District

Principal Contact – Jennifer Blackman, General Manager (415) 868-1224

PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

We pay particular attention to selecting people who have the specific experience and skills needed for your work. Over the years, we will give you the continuity you need; our staff assigned to your work will continue to return each year, barring unexpected resignations by the people on your engagement. We are interested in your reactions to our people and their approach to your work. Any changes in personnel will be reviewed with you in advance.

We do everything we can to ensure continuity because it helps you, it helps our staff and it helps us. We attempt to match personalities as well as skills and abilities so that our staff and yours will get along well.

Our people assigned to your work will include Peter Medina, Accounting Services Director, and Maria Munoz, Supervisor.

Resumes of Staff Assigned to Your Work

We have included complete resumes of the people assigned to your work below. We think you will agree after reviewing these resumes that our staff have significant amounts of experience and education in accounting services.

PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE (Continued)

PETER MEDINA, Director – Peter is a graduate of St. Mary’s College, Moraga, with a Bachelor of Science Degree in Accounting. He has over twelve years of governmental audit experience all with Maze & Associates. Peter’s experience includes cities, special districts and not-for-profit clients. He has performed CAFR reviews for GFOA. Peter has received 400 hours of continuing education since joining our firm. His relevant experience includes preparing the Annual Report of Financial Transactions for over 78+ of our municipal clients. Peter currently supervises accounting services for many entities. He is experienced in tax related matters. He is an Enrolled Agent with the U.S. Department of Treasury and reviews over 100 form 990 tax returns for our non-for-profit clients.

Municipal Experience:

City of Alameda	City of Manteca
Alameda Municipal Power	Menlo Park Fire Protection District
Town of Atherton	City of Millbrae
City of Benicia	Mission Graduates
Bolinas Community Public Utility District	City of Napa
Contra Costa Water District	City of Newark
Contra Costa Water District Retirement System	City of Oakley
Bethel Island Municipal Improvement District	Town of Portola Valley
City of Brentwood	City of Richmond
CalSTRS	Richmond Housing Authority
Charitable Federated Group	City of Rio Vista
Coastside County Water District	City of Roseville
City of Concord	Ross Valley Paramedic Authority
City of Davis	City of San Carlos
East Contra Costa County Habitat Conservancy	City of Sausalito
East Bay Municipal Utility District	Solano Transportation Authority
East Bay Municipal Utility District Retirement System	City of South Lake Tahoe
El Dorado Irrigation District	South Lake Tahoe Basin Waste Management Auth.
Town of Fairfax	South San Joaquin Irrigation District
Fairfield Suisun Sewer District	Stanislaus Waste to Energy
Inverness Community Public Utility District	City of Suisun City
Kids for the Kingdom	Twin Cities Police Authority
City of Larkspur	City of Vallejo
City of Livermore	Vallejo Housing Authority
Livermore-Amador Valley Transportation Authority	Walnut Creek Chamber of Commerce
City of Los Banos	City of West Sacramento

Accounting Services:

Bolinas Public Utility District	Newark Square Development
Cimarra Family Care Home	Robotlab, Inc.
City of Albany	Sewer Authority Mid-Coastside
Inverness Public Utility District	West Coast Jamboree
Kuiu	West Contra Costa Integrated Waste Management (RecycleMore)
Montara Water and Sanitary District	Pleasant Hill Chamber of Commerce

PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE (Continued)

MARIA MUNOZ, Supervisor, – graduated from St. Mary’s College in 2012 with a Bachelor of Science Degree in Accounting. During Maria’s 7 years at Maze she has spent over 700 hours on Governmental Accounting Services for our clients. **Maria has received 480 hours of continuing education** since joining our firm.

City of Alameda	City of Oakley
ACWA	City of Orinda
AC Transit	Pacifica Child Care
Association of Bay Area Governments	Pajaro Valley Fire Protection District
City of Brentwood	City of Petaluma
City of Campbell Accounting Services	City of Pittsburg
City of Concord	Placer County Water Agency
Contra Costa Water District	Regional Administrative Facility Corporation
City of Cupertino	City of Rancho Cordova
City of Cupertino Accounting Services	City of Richmond
City of Daly City	Richmond Housing Authority
City of Davis	City of Roseville
Dublin San Ramon Services District	Roseville Child Care
City of East Palo Alto	Sam Trans
County of El Dorado	City of San Carlos
Town of Fairfax	City of San Pablo
Town of Moraga	City of San Rafael
City of Galt	San Rafael Child Care
City of Hayward	City of Santa Clara
City of Larkspur	Santa Clara County Central Fire Protection District
City of Livermore	City of Sausalito
City of Manteca	Sonoma County Open Space District
City of Mountain View	City of Sutter Creek
City of Napa	City of Vallejo
City of Napa Accounting Services	City of Visalia
Novato Fire Protection District	City of Waterford
Novato Sanitary District	City of West Sacramento

Accounting Services:

City of Albany
City of Campbell
City of Colma

SCOPE OF WORK

PHASE 1: Assess & Integrate

We create a customized program just for your Organization. This program includes all of the bookkeeping services you require with many accounting services as well. We use the latest technology along with a trained professional staff of bookkeepers, supervisors and accountants to see that your Organization gets not only fast, accurate, complete bookkeeping and financial information, but that you also get the kind of personal services that make us unique.

1. We will provide an initial assessment of the Organization's internal control accounting environment, structure and set-up and make recommendations accordingly.
2. We will review and analyze month to date budget vs. actual financial statements to familiarize ourselves with categorization and make recommendations as needed.
3. We will review, and if necessary, catch up on all bank and investment account reconciliations.
4. We will review and, if necessary, file any payroll related compliance forms (e.g. Federal 941's and State DE-9's).

These tasks form a solid foundation of the Organization's accounting system.

PHASE 2: Monthly

Bank Reconciliations

Reconciling your business checking accounts each month allow us to keep your bank accounts, accounting, and payroll taxes up-to-date.

Having us reconcile your accounts each month allows you to....

- a. Identify last checks, last deposits and unauthorized transactions.
- b. Detect and prevent excess/unjustified bank charges and ensure transactions are posted correctly by your bank.
- c. Know how your business is doing? You can't really know unless all accounts are reconciled and properly accounted for on your financial statements.
- d. Manage your cash more effectively. Proper management of funds not only saves money, it makes money for you.
- e. Protect yourself. By timely reconciling and promptly objecting to your bank about any unauthorized, fraudulent or forged checks presented to your bank and paid by that bank, you can relieve your agency of responsibility for the shortfall and transfer the risk to the bank. This reason to reconcile alone should be enough. Crime exists!

SCOPE OF WORK (Continued)

Income Statement

An income statement, otherwise known as a profit and loss statement, basically adds an itemized list of all your revenues and subtracts an itemized list of all your expenses to come up with a profit or loss for the period.

An income statement allows you to....

- a. Track revenues and expenses so that you can determine the operating performance of your Organization.
- b. Determine what areas of your business are over-budget or under-budget.
- c. Identify specific items that are causing unexpected expenditures. Like phone, mail, or supply expenses.
- d. Determine your payroll tax liability, file the proper documents to Federal and State government agencies.

Balance Sheet

A balance sheet gives you a snapshot of the Organization's financial condition at a specific moment in time.

A balance sheet helps you...

- a. Quickly get a handle on the financial strength and capabilities of your Organization.
- b. Identify and analyze trends, particularly in the area of receivables and payables. For example, if your receivables cycle is lengthening, maybe you can collect your receivables more aggressively.
- c. Determine if your Organization can easily handle the normal financial ebbs and flows of revenues and expenses?
- d. Determine if you need to take immediate steps to bolster cash reserves?
- e. Determine if your Organization has been slowing down payables to forestall an inevitable cash shortage?
- f. Balance sheets, along with income statements, are the most basic elements in providing financial reporting.

Maintaining a Clean General Ledger

The general ledger is the core of your Organization's financial records. These records constitute the central "books" of your system. Since every transaction flows through the general ledger, a problem with your general ledger throws off all your books.

Having us review your general ledger system each month allows us to hunt down any discrepancies such as double billings or any unrecorded payments. We will then fix the discrepancies so your books are always accurate and kept in tip top shape.

FEES AND SERVICES AVAILABLE TO BE PROVIDED

Our fees will depend on the services desired as well as the level of staff required to perform the work. However, you can see on the attached Proposed Engagement Segments and Budget, we are projecting the following costs:

Phase 1:

- Start-up services – \$3,200 - \$4,500/month (20-28 hours/month for 2-3 months, estimated)

Phase 2:

- Monthly services – \$1,080 - \$1,620/month (8-12 hours)

Hourly Rates

The hourly rates for our staff are as follows:

Peter Medina	\$185
Maria Munoz	\$135

Phase 3 (Optional): Cost – Negotiable

Budget Preparation

1. Provide support to current Finance Staff during the budget development season (e.g. review budget worksheets/narrative to ensure accuracy)

Phase 4 (Optional): Cost – Negotiable

Audit Liaison

1. Provide support to Finance Staff during fiscal year end close procedures:
 - a. Provide technical expertise for new GASB pronouncements
 - b. Reconcile audit worksheets to general ledger
 - c. Review footnote disclosures for accuracy and compliance with professional standards
 - d. Correspond with auditors, as needed