



PROPOSAL

FOR AGREED UPON PROCEDURES REPORTS

PREPARED FOR
**San Bernardino County
Employees' Retirement Association**

AUGUST 1, 2025

PREPARED BY
Brown Armstrong Accountancy Corporation

Brooke Baird, CPA | Partner
4200 Truxtun Avenue, Suite 300
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San Bernardino County Employees' Retirement Association

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Cover Letter

August 1, 2025

Amy McNerny, Chief Financial Officer
San Bernardino County Employees' Retirement Association
348 W. Hospitality Lane, Suite 100
San Bernardino, California 92408

Dear Ms. McNerny:

Brown Armstrong Accountancy Corporation is pleased to respond to your request for proposal to perform agreed upon procedure services for San Bernardino County Employees' Retirement Association (SBCERA).

We fully understand the work to be performed and are committed to performing the work within your stated time period.

Brown Armstrong is one of the largest regional accounting firms in California. Our mission is simple, we set out "to exceed expectations and provide opportunities" for our clients. Our fifty-five (55) employees in our three (3) offices lead us in achieving this mission by working with our clients to be proactive in implementing new accounting pronouncements efficiently and timely, continually improving client financial reports, and providing financial solutions for improving operating procedures.

We have performed attestation and other engagements for numerous retirement pension plans similar to yours for more than four decades. We are experts in governmental accounting and auditing and have assisted numerous clients in receiving the Certificate of Achievement for Excellence in Financial Reporting. Clients have continued to put their trust in us to provide them with excellent service year after year, with us having served numerous clients continuously for over 10 years.

I will be the primary liaison responsible for all relationship services to SBCERA, and I am authorized to contractually bind the Firm. I can be contacted at: 4200 Truxtun Avenue, Suite 300, Bakersfield, California 93309, Tel (661) 324-4971, Fax (661) 324-4997 or e-mail: bbaird@ba.cpa.

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

I certify that the requirements of the project as described in the RFP have been reviewed and I have conducted all necessary due diligence to confirm material facts upon which this proposal is based.

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I, the undersigned, certify that I am duly authorized to represent the above named firm and am empowered to submit this bid. In addition, I certify that I am authorized to contract with SBCERA on behalf of the above named firm. Please contact me if I can clarify or expand on any item contained in this proposal. We are available for an oral presentation, if requested. This proposal is a firm and irrevocable offer for ninety (90) days.

Sincerely,

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION



By: Brooke Baird, CPA
Partner

California Corporation Number: C0808648

Incorporation Date: February 10, 1977

Registered as:

Brown Armstrong Accountancy Corporation

4200 Truxtun Avenue, Suite 300

Bakersfield, CA 93309

Title of person signing on behalf of the corporation: Partner

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1. Firm Information and Qualifications

Firm Profile

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 SBCERA 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 fifty-five (55) highly skilled employees, Brown Armstrong continues its growth as a regional firm by offering auditing, tax, accounting, consulting, and assurance services to governmental entities, nonprofits, corporations, partnerships and individuals in California.

The firm now employs 55 people as follows:

<i>Our Staff</i>		<i>Governmental Audit Staff</i>	
Partners	9	Partners	7
Managers	9	Managers	7
Seniors	14	Seniors	11
Staff	7	Staff	7
Support Staff	<u>16</u>	Support Staff	<u>3</u>
	<u>55</u>		<u>35</u>

Brown Armstrong is a full-service accounting firm. Our accountants have the expertise to provide audit, accounting, tax, and business services. In addition to these services, the Firm's accountants and consultants practice in the areas of risk assessment and Sarbanes-Oxley solutions, state and local tax, estate planning/wealth transfer, and information technology. We also perform peer reviews for other accounting firms. Our main Bakersfield office performs all listed services whereas our Stockton and Fresno offices perform mainly audit and agreed-upon procedures engagements.

References

Following are a few references of clients we have completed audits and agreed-upon procedures within the past five years. In providing this information, we consent to and release SBCERA from liability regarding contacting our references and communicating with them about our prior engagement and their opinions regarding our work performed.

Client	Contact
San Diego County Employees' Retirement Association 2275 Rio Bonito Way, Suite 100 San Diego, CA 92108	Mike Pattison, <i>Director of Finance</i> (619) 515-6816 mpattison@sdccera.org
Contra Costa County Employees' Retirement Association 1200 Concord Avenue, 300 Concord, CA 94520	Henry Gudino, CPA, <i>Accounting Manager</i> (925) 521-3960 hgudino@cccera.org
Santa Barbara County Employees' Retirement System 130 Robin Hill Road, Suite 100 Goleta, CA 93117	Rico Pardo, <i>Controller</i> (805) 730-0828 rpardo@sbcers.org
Tulare County Employees' Retirement Association 136 N. Akers Street Visalia, CA 93291	Leanne Malison, <i>Retirement Administrator</i> (559) 713-2900 LMalison@tularecounty.ca.gov
Sacramento County Employees' Retirement System 900 9 th Street #1900 Sacramento, CA 95814	Margo Allen, <i>Chief Operations Officer</i> (916) 874-2266 allenmargo@saccounty.org

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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. Exhibit I of this proposal contains a copy of our most recent report. As indicated in that report, our firm received a peer review rating of a "pass," which is the highest rating available.

Engagement Team

We have assembled a team consisting of members who are extremely qualified to perform your agreed-upon procedures (AUP) engagement. All team members notated as a CPA are registered or licensed to practice as a certified public accountant in California.

Below is an organizational chart of the proposed engagement team structure.

SB|cera TEAM



Brooke Baird, CPA

Engagement Partner



Rage Sullivan

Engagement Senior



Alaina Vandermade, CPA

Engagement Manager



Ashley Green, CPA

Technical Review Partner

All staff assigned to your engagement will be employed on a full-time basis from the Bakersfield and Stockton offices.

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 agreed upon procedures. This will allow you to have access to decision makers and the resources you need at all times. Resumes of the proposed engagement team can be found on the following pages.

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Brooke Baird

Engagement Partner, CPA

Background

Brooke, a partner at the Bakersfield office, is the engagement partner of the project and has 20 years of governmental and non-profit auditing experience at Brown Armstrong. Her auditing and accounting specialties include special districts, non-profits, and retirement systems.

Brooke has always ensured that we have the highest level of audit services for her clients through relationship building. She is active in professional organizations such as the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants. She and the senior accountant will be easily accessible for them, at all times. Her ability to manage an audit has become invaluable for Brown Armstrong.

Contact

✉ bbaird@ba.cpa

☎ 661-324-4971

📍 Bakersfield, California

🌐 www.ba.cpa

Education

California State University, Fresno
Bachelors of Science Degree in Business
Administration - Concentration in
Accounting
2004

Experience

Retirements

Community Action Partnership of Madera County 403b
Community Action Partnership of San Luis Obispo 403b
Contra Costa County Employees' Retirement Association
Fresno County Employees' Retirement Association
Los Angeles City Employees' Retirement System
Los Angeles County Employees' Retirement Association
Marin County Employees' Retirement Association
Proteus, Inc. 403b
San Bernardino County Employees' Retirement Association
San Diego County Employees' Retirement Association
San Mateo County Employees' Retirement Association
Santa Barbara County Employees' Retirement System
Tulare County Employees' Retirement Association

Non-Profits

Open Door Network
Bakersfield Symphony Orchestra
The Center for Sexuality and Gender Diversity
Civil Justice Association of California
Community Action Partnership of Kern
Community Action Partnership of Madera County
Community Action Partnership of San Luis Obispo
Desert Tortoise Preserve
Global Family Care Network, Inc.

Roles and Responsibilities

- Overall responsibility for the agreed upon audit procedures and delivery of client service
- Approves the overall audit risk assessment and audit procedures
- Communicates with executive management, and members of SBCERA about final reports issued
- Available throughout the year to ensure proactive issue identification and service delivery

Special Districts

Carpinteria Valley Water District
Cawelo Water District
Channel Islands Beach Community Services District
Indian Wells Valley Groundwater Authority
Kern-Tulare Water District
Lamont Public Utility District
Las Posas Valley Watermaster
Mojave Public Utility District
North of the River Municipal Water District
Olcese Water District
North Kern Cemetery District
Pixley Public Utilities District
San Joaquin Valley Air Pollution Control District

Greater Bakersfield Legal Assistance, Inc.
James Penny House, Inc.
Kern Medical Center Foundation
La Vida Nueva (fka Kern County Hispanic Commission on Alcohol and Drug Abuse Services)
New Start Youth Facility, Inc.
Proteus, Inc.
Victory Family Services

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Ashley Green

Technical Review Partner, CPA

Background

Ashley Green, a partner at Brown Armstrong's Stockton office, has 17 years of experience in auditing of governmental clients at Brown Armstrong. Her primary business focus is governmental entities and her audit specialties include retirement systems, transits, and special districts.

She is actively involved in a number of professional organizations such as the American Institute of Certified Public Accountants, Accounting and Financial Women's Alliance, SACRS, P2F2, CALAPRS, and the California Society of Certified Public Accountants (CalCPA). Ashley is a member of the CalCPA San Joaquin Chapter, where she serves as a member of the Financial Literacy Committee and serves as a State Committee Member for the Governmental Accounting and Auditing Committee.

Contact

✉ agreen@ba.cpa
 ☎ 209-451-4833
 📍 Stockton, California
 🌐 www.ba.cpa

Education

California State University, Chico
*Bachelors of Science Degree in
 Business Administration, Option in
 Accounting*
 2007

Experience

Retirements

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

Roles and Responsibilities

- Assists in review of completion of all agreed upon procedures
- Reviews agreed upon procedures reports to ensure they are in conformance with AICPA requirements
- Provides concurring approval of agreed upon procedures reports

Special Districts

Bear Mountain Recreation & Park District
 County of Sonoma District Attorney's Office – Audit of Automobile
 Insurance Fraud and Workers' Compensation Fraud Programs
 East Bay Regional Park District
 First 5 Kern County
 First 5 Monterey County
 Kern-Tulare Water District
 Lake Isabella Community Services District
 North Coast Unified Air Pollution Control District
 Sonoma County Public Safety Consortium
 South San Joaquin Irrigation District

Transits

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

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Alaina Vandermade

Engagement Manager, CPA

Background

Alaina is the engagement manager with more than 14 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 SBCERA 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.

Contact

✉ avandermade@ba.cpa

☎ 661-324-4971

📍 Utah

🌐 www.ba.cpa

Education

California Polytechnic State University
*Bachelor of Science Degree in Business
 Administration, Concentration in
 Accounting*

2009

Experience

Counties

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

Transits

Central Contra Costa Transit Authority
 Golden Empire Transit District
 Napa County Transportation & Planning
 Agency
 Riverside Transit Agency
 San Joaquin Council of Governments
 Santa Cruz Metropolitan Transit District

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
 Sonoma County Public Safety Consortium
 Western Riverside County Regional
 Conservation Authority

Retirements

City of Fresno Retirement System
 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

Non-Profits

Adventist Health Bakersfield
 Anaheim Transportation Network
 California Association of Treasurers and
 Tax Collectors
 CFRS Realty Corporation
 Desert Haven Enterprises, Inc.
 Golden Empire Gleaners
 Investment Trust of California
 Wind in the Willows Educational Organization

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Rage Sullivan

Engagement Senior

Background

Rage is an audit senior in our Bakersfield office with 7 years of auditing experience. He 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. He has executed audits in the past with little issues and is great at maximizing efficiency while performing audit work.

Contact

✉ rsullivan@ba.cpa
 ☎ 661-324-4971
 📍 Bakersfield, California
 🌐 www.ba.cpa

Roles and Responsibilities

- Leading fieldwork audit team
- Reviews, analyzes, and documents client internal controls
- Completes complex audit procedures
- Researches and performs tests on issues under direction of the Engagement Manager
- Assists in supporting audit planning, fieldwork and reporting
- Prepares draft reports and workpapers

Education

California State University, Bakersfield
*Bachelor of Science Degree in Business
 Administration, Concentration in
 Accounting*

Experience

Retirements

Contra Costa County Employees' Retirement Association
 Fresno County Employees' Retirement Association
 Imperial County Employees' Retirement Association
 Los Angeles County Employees' Retirement System
 Marin County Employees' Retirement Association
 Mendocino County Employees' Retirement Association
 San Diego County Employees' Retirement Association
 San Bernardino County Employees' Retirement Association
 Santa Barbara County Employees' Retirement System
 Sonoma County Employees' Retirement Association
 Ventura County Employees' Retirement Association
 Tulare County Employees' Retirement Association

Pension Plans

Community Action Partnership of Madera 403b
 Community Action Partnership of San Luis Obispo 403b
 Hoffmann Hospice of the Valley, Inc. 403b
 Proteus, Inc. 403b

Special Districts

Buena Vista Water Storage District
 Carpinteria Valley Water District
 Eastern Kern Air Pollution Control District
 Kern Delta Water District
 Kern Water Bank Authority
 Mojave Public Utility District
 Olcese Water District
 Pixley Public Utility District
 Port Hueneme Water Agency
 Sonoma County Public Safety Consortium

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2. Scope of Work

This section sets forth our understanding of the AUP engagement's scope requirements, and a risk-based work plan, including drafts of the specific procedures to perform the engagement. All parts of the AUP will focus on SBCERA's strategic goals, core processes, and business objectives.

Scope of Work with Drafts of Specific Procedures

AUP-1: Retiree Benefit Payments (and Refunds)

- Audit the process for Retiree Benefit Payments (and Refunds), specifically, that entries are made timely, accurately, and proper procedures are followed.

Steps:

The following procedures on the representative sample will be performed, once agreed upon by SBCERA:

A. Process Walkthrough and Documentation Review

- a. Obtain and review written policies and procedures for processing monthly benefit and refund payments.
- b. Conduct interviews with key staff to understand the workflow in Pension Gold for benefits and refunds.

B. Sample Selection and Testing of Payments

- a. Obtain a listing of all monthly benefit payments and refunds processed during the selected period and select a statistically significant sample.
- b. For each sample transaction:
 - i. Trace source documentation (retirement approval, member's authorization, direct deposit form or check request, authorization of refund, etc.) to record in Pension Gold.
 - ii. Verify amounts calculated and paid match supporting documentation.
 - iii. Verify timely processing by comparing dates of key events (retirement/termination/refund request) to payment initiation and completion dates, assessing for unusual delays.
 - iv. For refunds, verify appropriate termination of membership and recalculation of refund amount by policy or formula.

C. Review of Exception Manual Adjustment Transactions

- a. Obtain reports of any manual adjustments or exception transactions related to benefit or refund payments during the selected period and:
 - i. Select a sample of exceptions, reviewing supporting documentation and proper approvals.
 - ii. Verify the manual adjustment or exception was handled according to SBCERA's policy.

D. Direct Deposit and Physical Check Controls

- a. Document the process for setting up, modifying, or terminating direct deposit information for members.
- b. Review check issuance and physical controls segregation of duties, physical security, avoided and or stale dated check procedures, and reconciliation.

E. Data Integrity and Systems Access

- a. Obtain a listing of user access rights to the Pension Gold system for individuals involved in the payment or refund process and perform the following:
 - i. Inspect the listing to identify whether user access appears consistent with job responsibilities.
 - ii. Inquire whether access rights are reviewed on a regular basis.
 - iii. Identify any accounts that appear inactive or unused and inquire about their status.
- b. Assess change management around how payment formula and calculations are configured in Pension Gold.

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F. Bank Reconciliations and Payment Reconciliations

- a. Review monthly reconciliations between pension gold, payment files and third-party statements for benefit and refund payments.
- b. Test the sample of reconciliations for accuracy, completeness, and timely review and resolution of reconciling items.

G. Duplicate Payment and Overpayment Testing

- a. Perform data analytics or review existing controls to detect potential duplicate or erroneous payments made during the selected period.
- b. For any duplicate or overpayments identified, trace to remediation steps taken.

H. Recommendations for Internal Control and Process Improvements

- a. Provide recommendations for any process improvements based on the procedures performed.

AUP-2: Investment Program

- Audit the process for the investment program and ensure that proper procedures are in place and followed to ensure that the program is followed. This may include, but not be limited to, ensuring that contracts are properly executed, capital calls are timely addressed, and assets are safeguarded throughout the process.

Steps:

The following procedures on the representative sample will be performed, once agreed upon by SBCERA:

A. Review of Governance and Policy Adherence

- a. Obtain and review the current investment policies, programs, and related governance documents.
- b. Verify the approval of the policies and any recent amendments via review of Board and Investment Committee minutes.
- c. Assess how authorities delegated to the Chief Investment Officer (CIO) and investment staff are documented, tracked, and communicated.
- d. Review documentation to ensure the CIO and investment staff were operating under the delegated authority defined in Section III(C) of the SBCERA Investment Plan, Policy and Guidelines policy.

B. Selection and Oversight of Investment Managers

- a. Obtain a list of all current and terminated investment managers, custodians, and external advisors.
- b. Select a sample of investment manager/service provider contracts executed, renewed, or terminated during the period and:
 - i. Review the selection process and criteria for compliance with policy (ex. due diligence, RFP's, background and reference checks.)
 - ii. Verify that contracts or investment management agreements were executed by authorized personnel, included in all required terms and are on file.
 - iii. The execution, renewal, or termination of a contract with an investment manager was properly approved by the CIO and Investment Committee.

C. Capital Calls and Funding Procedures

- a. Obtain a report of all capital calls made during the selected period.
- b. Select a sample of capital calls and:
 - i. Verify timely approval and processing of capital calls according to underlying agreements.
 - ii. Trace to supporting documentation (ex. call notices, staff approval, wire transfers, reconciliation to investment statements).
 - iii. Verify that capital calls are recorded completely and accurately in the investment accounting records.
 - iv. Confirm timely notification to the custodian/trustee for processing.

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- D. Contract Execution and Legal Review**
 - a. Obtain a list of all investment contracts executed during the selected period.
 - b. Select a sample of contracts executed and verify the following:
 - i. The contract underwent the proper legal due diligence in accordance with Investment Policy 007.
 - ii. The contract was properly executed by authorized personnel.
 - iii. Documentation is retained in accordance with retention policies.
- E. Asset Safeguarding and Custodial Controls:**
 - a. Obtain and review a list of custodians and their agreements.
 - b. Verify that all investment accounts are registered in the name of SBCERA or nominee.
 - c. Review SOC 1 (or equivalent) reports for third party custodian and managers and assess whether identified control deficiencies are addressed. Review the process SBCERA follows when reviewing those same reports.
 - d. For a sample of asset transfers or transactions, confirm segregation of duties, proper approval, and evidence of reconciliation.
- F. Investment Transaction Testing**
 - a. Select a sample of purchases, sales, and other investment transactions and test the following:
 - i. Trace to support documentation
 - ii. Verify the transactions are properly approved.
 - iii. Verify the transactions are recorded in the correct period, at the correct amount, and classified appropriately.
- G. Reconciliation and Reporting**
 - a. Review monthly and quarterly reconciliations between internal investment records:
 - i. Internal investment records (e.g. General Ledger or investment accounting system)
 - ii. Custodial statements
 - iii. Investment managers' reports
 - b. Select a sample of months during the selected period and test reconciliations for accuracy, completeness, and evidence of timely review and resolution of reconciling items.
- H. Valuation of Performance Monitoring**
 - a. Review SBCERA's procedures for evaluation of alternative investments.
 - b. Select a sample of alternative investments during the selected period and:
 - i. Verify receipt and evaluation of reports from investment managers or external valuers.
 - ii. Confirm the investment staff review evaluations before inclusion in financial reporting.
 - iii. Assess whether performance monitoring is completed and reported to the Investment Committee.
- I. Access and Review for Segregation of Duties**
 - a. Obtain a listing of user access rights to the investment systems, wire transfer platforms, and custodial portals and:
 - i. Inspect the listing to identify whether user access appears consistent with job responsibilities.
 - ii. Inquire whether access rights are reviewed on a regular basis.
 - iii. Identify any accounts that appear inactive or unused and inquire about their status.
- J. Review of Exception Reports and Compliance Testing**
 - a. Obtain reports of any manual adjustments or exception transactions related to investments during the selected period.
 - i. Select a sample of exceptions, reviewing supporting documentation and proper approvals.
 - ii. Verify the manual adjustment or exception was handled according to SBCERA's policy.
- K. Recommendations for Internal Control and Process Improvements**
 - a. Provide recommendations for any process improvements based on the procedures performed.

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This section sets forth our understanding of the AUP engagement requirements, and a risk-based work plan, including an explanation of the methodology to be followed to perform the engagement. All parts of the AUP will focus on SBCERA's strategic goals, core processes, and business objectives.

3. Proposed Timeline

Performance of AUPs

We will begin the test work stage of the agreed upon procedures with an entrance conference with SBCERA staff. SBCERA staff will be requested to provide us with all population data files for the period covered in spreadsheet format from which to draw our samples. Test samples will be drawn by statistical sampling techniques. The universe from which the sample is drawn begins at the beginning of the period covered and ends with the end of that period. If a null is picked, it is replaced in draw sequence until sufficient live items comprise the planned sample size.

Exit Conference with Management

An important process in our engagement plan is to hold an exit conference with management. The purpose of the exit conference is to discuss the results of the AUPs, communicate to management any reportable conditions identified during our AUPs to allow management to respond to the observations and recommendations and discuss the draft report and timeline of the final delivery of the reports.

Final Reports

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

We will present and discuss drafts of reports with management prior to issuance. Once issued, we are available to present all reports to the Audit Committee and Board of Retirement.

Supervision and Review

The review process is constant throughout the engagement. Each working paper prepared by a staff accountant is reviewed by the engagement supervisor. All workpapers are then reviewed by the engagement partner.

To be effective, the reviews must be conducted as the engagement progresses and as each important step is completed. Our procedure is for the engagement partner to review the work at the conclusion of each significant task through the engagement as an integral quality control procedure. The report thereon is then reviewed by a technical review partner not directly involved in the engagement for concurrence prior to release of the report to SBCERA.

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Timetable

Below is the proposed timeline of the engagement. Once contracted we will create critical dates list with a detailed schedule for specific dates that management has agreed to that will ensure a smooth flow of the AUP process and completion before January 31st.

Timing	Phase	Staff	Hours
November/December	Planning, Control Environment Evaluation, and Establishment of Agreed-Upon Procedures - Obtain understanding of SBCERA and its control environment - Document key accounting and control processes with management and/or county personnel - Develop and finalize AUPs with consultation with SBCERA management - Establish critical dates list with management - Population data and control processes to be obtained from SBCERA - Provide sample list and information request to SBCERA - Obtain supports of samples for each AUPs - Complete AUPs test-work - Evaluate AUPs test results and findings, if any.	Partner Manager Senior Staff Others	10 30 70 80 5
	Completion of the AUPs and Reports Issuance - Review draft reports and supporting documentation - Complete review of reports - Detailed Quality Control review by technical partner - Exit conference with SBCERA management - Issuance of all three agreed upon procedure reports by January 30, 2026 - Available for reports presentation to Audit Committee/Board of retirement, if required.	Partner Manager Senior Staff Others	10 10 10 10 5
		Total Hours	240

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Schedule of Hourly Rates and Expenses				
	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partners	10	\$300	\$270	\$ 2,700
Manager	20	\$270	\$240	4,800
Senior	85	\$180	\$160	13,600
Staff	105	\$120	\$110	11,550
Clerical	10	\$80	\$70	700
Total All-Inclusive Maximum Price	230			\$ 33,350

5. Fee Estimate

AUP 1 - Retirement Benefit Payments (Refunds)				
	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partners	5	\$300	\$270	\$ 1,350
Manager	10	\$270	\$240	2,400
Senior	45	\$180	\$160	7,200
Staff	65	\$120	\$110	7,150
Clerical	5	\$80	\$70	350
Total All-Inclusive Maximum Price	130			\$ 18,450

AUP 2 - Investment Program				
	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partners	5	\$300	\$270	\$ 1,350
Manager	10	\$270	\$240	2,400
Senior	40	\$180	\$160	6,400
Staff	40	\$120	\$110	4,400
Clerical	5	\$80	\$70	350
Total All-Inclusive Maximum Price	100			\$ 14,900

EXHIBITS

San Bernardino County Employees' Retirement Association

Exhibit I

External Quality Control Review Report



6025 SOUTH QUEBEC STREET, SUITE 260
CENTENNIAL, COLORADO 80111
303-792-3020 (o) | 303-792-5153 (f)
WWW.WCRCPA.COM

REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

June 30, 2022

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, 2021. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of 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 on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

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

Required Selections and Considerations

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

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

EXHIBITS**San Bernardino County Employees' Retirement Association**

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, 2021, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Brown Armstrong Accountancy Corporation has received a peer review rating of *pass*.



Watson Coon Ryan, LLC

EXHIBITS**San Bernardino County Employees' Retirement Association****Exhibit II****Summary of Recent Governmental Experience****TRANSITS**

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
 Monterey-Salinas Transit
 Napa Valley Transportation Authority
 Peninsula Corridor Joint Powers Board
 Riverside County Transportation Commission
 Riverside Transit Agency
 San Bernardino County Transportation Authority
 San Joaquin Council of Governments
 San Joaquin Regional Transit District
 San Luis Obispo Council of Governments
 San Luis Obispo Regional Transit Authority
 Santa Barbara Metropolitan Transit District
 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

NON-PROFITS

Bakersfield ARC
 California Association of County Treasurers
 and Tax Collectors
 California Association of Public Authorities
 for IHSS
 Civil Justice Association of California
 Community Action Partnership of Kern
 Community Action Partnership of San Luis Obispo
 Community Action Partnership of Madera County
 Kern County Bar Association
 Missionary Church Western Regional
 Tranquil Waters Guidance Center
 Valley Consortium for Medical Education
 Women's Center - High Desert

COUNTY RETIREMENTS

Fresno	San Diego
Imperial	San Joaquin
Kern	San Mateo
Los Angeles	Santa Barbara
Marin	Sonoma
Merced	Stanislaus
Mendocino	Tulare
Sacramento	Ventura
San Bernardino	

SPECIAL DISTRICTS

Antelope Valley East Kern Water Agency
 Antelope Valley Fair Association
 Friends of the Antelope Valley Fair
 Bear Mountain Recreation and Park District
 Buena Vista Water Storage District
 California Valley Community Services District
 Carpinteria Valley Water District
 Cawelo Water District
 Channel Islands Beach Community Services District
 East Bay Regional Park District
 Eastern Kern Air Pollution Control District
 Friends of the Kern County Fair
 Golden Valley Municipal Water District
 Goleta Water District
 Indian Wells Valley Groundwater Authority
 James Water Bank Authority
 Kern Local Agency Formation Commission
 Kern Delta Water District
 Kern Tulare Water District
 Kern Water Bank Authority
 Lake Isabella Community Services District
 Lamont Public Utility District
 Lebec County Water District
 Merced Subbasin Groundwater Sustainability Agency
 Mojave Public Utility District
 Napa Local Agency Formation Commission
 North Kern Cemetery District
 North Coast Unified Air Quality Management District
 Olcese Water District
 Riverside County Habitat Conservation Agency
 Pixley Public Utility District
 Plumas Eureka Community Services District
 Port Hueneme Water Agency
 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
 Tehachapi-Cummings County Water District
 The 15th District Agriculture Association - Kern County Fair
 West Valley County Water District
 Westside Mosquito and Vector Control District

OTHER RETIREMENTS

City of Fresno Employees' Retirement Systems
 Los Angeles Fire and Police Pension System
 Los Angeles City Employees' Retirement System
 San Francisco Bay Area Rapid Transit District
 Money Purchase Plan and Deferred Compensation Plan
 San Joaquin Regional Transit District Retirement Plans
 San Luis Obispo County Employees' Pension Trust

CITIES

Bakersfield
 Fresno
 Huron
 Laguna Woods
 Morro Bay
 Paso Robles
 St. Helena
 Tulare
 Turlock
 Visalia

COUNTIES

Fresno
 Kern
 Merced
 Riverside
 San Benito
 San Joaquin
 Santa Barbara
 Santa Cruz
 Stanislaus
 Tulare
 Napa

FIRST 5

Kern
 Merced
 Monterey
 Napa
 San Mateo
 Sonoma
 Stanislaus
 Ventura

HEALTHCARE

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