

BROWN ARMSTRONG

Certified Public Accountants

SAN BERNARDINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION TECHNICAL PROPOSAL

TO PROVIDE AGREED UPON PROCEDURE SERVICES

November 5, 2020

Andrew J. Paulden, CPA *Lead Partner*

Apaulden@bacpas.com

Neeraj Datta, CPA, CGMA *Engagement Partner*

Ndatta@bacpas.com

4200 Truxtun Avenue, Suite 300

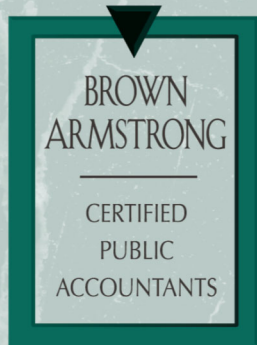
Bakersfield, CA 93309

TABLE OF CONTENTS

San Bernardino County Employees' Retirement Association

Table of Contents

	<u>Page</u>
Cover Letter	1
Technical Proposal	
1. Firm Information and Qualifications	3
2. Work Plan	9
3. Proposed Timeline	12
4. Schedule of Hourly Rates and Expenses.....	13
5. Fee Estimate	14
Exhibits	
I. External Quality Control Review Report.....	15
II. Summary of Recent Governmental Experience	17



BROWN ARMSTRONG
Certified Public Accountants

Cover Letter

November 5, 2020

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

Dear Ms. Cherney and 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.

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-eight (58) 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 lead partner and Neeraj Datta will be the co-engagement partner with managerial responsibilities of this engagement. I will be the primary liaison responsible for all relationship services to San Bernardino County Employees' Retirement Association (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: apaulden@bacpas.com.

**BAKERSFIELD OFFICE
(MAIN OFFICE)**

4200 TRUXTUN AVENUE
SUITE 300
BAKERSFIELD, CA 93309
TEL 661.324.4971
FAX 661.324.4997
EMAIL info@bacpas.com

FRESNO OFFICE

10 RIVER PARK PLACE EAST
SUITE 208
FRESNO, CA 93720
TEL 559.476.3592

STOCKTON OFFICE

1919 GRAND CANAL BLVD
SUITE C6
STOCKTON, CA 95207
TEL 888.565.1040

WWW.BACPAS.COM

Exhibit A: Page 4

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.

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 the 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 sixty (60) days.

Sincerely,

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION



By: Andrew J. Paulden, CPA
Managing 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

TECHNICAL PROPOSAL

San Bernardino County Employees' Retirement Association

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 Mendocino 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-eight (58) 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 58 people as follows:

Our Staff	
Partners	9
Shareholders in Training	2
Managers	6
Seniors	6
Supervisors	2
Staff Accountants	18
Support Staff	15
Total	58

Brown Armstrong is a full-service accounting firm. Our accountants have the expertise to provide audit, accounting, tax, and bookkeeping 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 three 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 Person
San Diego County Employees' Retirement Association 2275 Rio Bonito Way, Suite 100 San Diego, CA 92108	Sally Choi <i>Chief Financial Officer</i> (619) 515-6816 SChoi@sdccera.org
Ventura County Employees' Retirement Association 1190 South Victoria Avenue, Suite 200 Ventura, CA 93003	Henry Solis <i>Chief Financial Officer</i> (805) 339-4250 Henry.Solis@ventura.org
Imperial County Employees' Retirement System 1221 State Street El Centro, CA 92243	Scott W. Jarvis <i>Retirement Administrator</i> (442) 265-7550 ScottJarvis@co.imperial.ca.us

TECHNICAL PROPOSAL

San Bernardino County Employees' Retirement Association

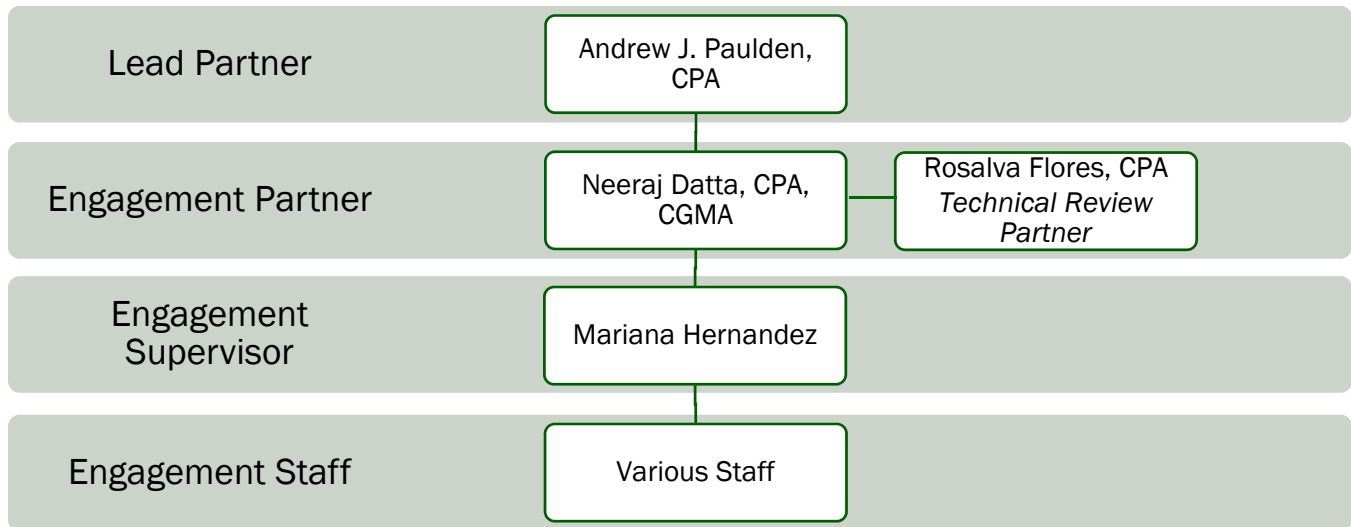
Peer Review Report

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 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.



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

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.

Brown Armstrong's Response to the COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) pandemic. At this time, it is our top priority to protect our employees and our client's employees by offering a completely remote engagement. The remote engagement would consist of all SBCERA's documents being transmitted through Sharefile and any meetings conducted via Zoom. Should it be necessary to perform fieldwork at the SBCERA, our employees will wear masks at all times and abide by the CDC's recommendations of maintaining a minimum of six feet apart.

TECHNICAL PROPOSAL*San Bernardino County Employees' Retirement Association*

ANDREW PAULDEN

LEAD PARTNER, CPA

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.bacpas.com

EMAIL:
apaulden@bacpas.com

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 SBCERA in continuing to improve your financial reports.

EXPERIENCE**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

Retirements

Contra Costa County Employees' Retirement Association
Fresno City Employees' Retirement System
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

ROLES AND RESPONSIBILITIES

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

TECHNICAL PROPOSAL

San Bernardino County Employees' Retirement Association



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.bacpas.com

EMAIL:
ndatta@bacpas.com

BACKGROUND

Neeraj is the engagement partner of the project. He has more than 12 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 SBCERA 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

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

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

TECHNICAL PROPOSAL

San Bernardino County Employees' Retirement Association



ROSALVA FLORES

TECHNICAL REVIEW PARTNER, CPA

EDUCATION

California State University, Bakersfield,
1998

Bachelor of Science Degree in
Business Administration,
Concentration in Accounting

CONTACT

PHONE:
661-324-4971

WEBSITE:
www.bacpas.com

EMAIL:
rflores@bacpas.com

BACKGROUND

Rosalva Flores is a principal with over 21 years of experience in governmental accounting. She has grown within the firm serving a diverse client base. Her expertise ranges from special districts and retirement systems to municipal entities and nonprofit organizations. Rosalva enjoys working "hands-on" with her clients and will never be too far away from audit procedures.

Rosalva has always ensured that we have the highest level of audit, tax, and consulting services for all of her clients. She 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, and the California Municipal Finance Officers Association.

EXPERIENCE

Cities

City of Bakersfield
City of Baldwin Park
City of Burlingame
City of Delano

City of Fresno
City of Madera
City of Tulare
City of Visalia

Counties

County of Kern

County of Kings

Non-Profits

Bakersfield Museum of Art
Greater Bakersfield Legal Assistance
Community Action Partnership of Kern
Community Action Partnership of San Luis Obispo

Special Districts

Belridge Water Storage District
East Bay Regional Park District
Kern Tulare Water District

Minter Field Airport District
Mojave Public Utility District

Retirements

Contra Costa County Employees' Retirement Association
Fresno City Employees' Retirement System
Fresno County Employees' Retirement Association
Kern Schools Federal Credit Union Pension Plan
Los Angeles City Employees' Retirement System
Mendocino County Employees' Retirement Association
San Joaquin County Employees' Retirement Association
Santa Barbara County Employees' Retirement Association
Sonoma County Employees' Retirement Association
Stanislaus County Employees' Retirement Association
Tulare County Employees' Retirement Association
Ventura County Employees' Retirement Association
Kern County Employees' Retirement Association

ROLES AND RESPONSIBILITIES

- Responsible for assisting the Engagement Partner in performing the AUP engagement risk assessment and design audit procedures
- Assists in audit documentation review in significant areas.
- Reviews financial statements to ensure they are in conformance with GAAP and GFOA requirements
- Advises the audit team regarding technical matters and provides concurring approval of financial statements and audit reports

TECHNICAL PROPOSAL

San Bernardino County Employees' Retirement Association



MARIANA HERNANDEZ

ENGAGEMENT SUPERVISOR

EDUCATION

Cal Poly San Luis Obispo, 2011

Bachelor of Science Degree in Business
Administration, Concentration in
Accounting

CONTACT

PHONE:
661-324-4971

WEBSITE:
www.bacpas.com

EMAIL:
mhernandez@bacpas.com

BACKGROUND

Mariana is an audit supervisor with over nine years of 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

Retirements

Contra Costa County Employees' Retirement Association
Imperial County Employees' Retirement System
Los Angeles City Employees' Retirement System
Marin County Employees' Retirement Association
Pasadena Fire and Police Retirement System
Sacramento County Employees' Retirement System
San Bernardino County Employees' Retirement Association
San Joaquin County Employees' Retirement Association
San Mateo County Employees' Retirement Association
San Diego County Employees' Retirement Association
Santa Barbara County Employees' Retirement System
Stanislaus County Employees' Retirement Association
Sonoma County Employees' Retirement Association
Tulare County Employees' Retirement Association
Ventura County Employees' Retirement Association

Pension Plans

Community Action Partnership of Kern 401a and 403b
Community Action Partnership of San Luis Obispo 403b
Community Action Partnership of Madera County 403b
Feghali Foods 401k
KBA 401k
M. Caratan 401k
San Francisco Bay Area Rapid Transit Money Pension Plan
San Francisco Bay Area Rapid Transit Deferred Compensation Plan
Truitt Oilfield Maintenance 401k

Counties

County of San Joaquin	County of Stanislaus
County of Santa Barbara	County of Napa
County of Santa Cruz	

ROLES AND RESPONSIBILITIES

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

TECHNICAL PROPOSAL

San Bernardino County Employees' Retirement Association

2. Work Plan

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: Benefits and Customer Service – Accuracy of Member Information

- Audit member records for a specific period to evaluate the accuracy and completeness of member records and payroll data submitted by participating employers.

Steps:

Population data of the specific period for this area will be obtained and a representative sample will be selected utilizing statistical sampling technique. A minimum sample size of 25 per three employers will be selected.

Following procedures for the representative sample will be performed:

Active Participant Data

- Trace demographic data, such as birth, hire and entry dates, and termination dates to electronic personnel file. We use date to recalculate entry age and service years.
- Trace the basis for the employee's contribution rates to the annual approved rate by membership category and tier.
- Re-compute the contribution deduction of employee and trace contributions from individual participant accounts to the deduction in Pension Gold.
- Re-compute the employer contribution and trace contributions from individual participant accounts in Pension Gold.

Specific to New Members

- Verify that the participant met eligibility requirements to enter the plan, done so by verifying participant is in a permanent position and works at least half time or 20 hours weekly.
- Verify that member filed their Enrollment Affidavit to show acceptable proof of demographics.
- Verify that the contributions were withheld from the first paycheck as set forth in the 1937 Act Regulations via Pension Gold.
- If the participant is 60 years of age or older, confirm that the participant was counseled as to the choices available with regards to membership into the plan or waiving the benefits by opting out and signing the waiver as per Section 31552 of the California Retirement Law of 1937.

Specific to Participants Who Purchase Prior Service Credit

- Trace purchase amount in Pension Gold to signed contract, service purchase estimate, and/or completion letter.
- Trace amount from supporting documentation above to a copy of the wire, check received from the participant and/or additional payment from biweekly pay.

- Make recommendations for any process improvements.

TECHNICAL PROPOSAL***San Bernardino County Employees' Retirement Association***

Our report will include our recommendations, if any for process improvement that comes to our attention while performing the above agreed upon procedures.

AUP-2: Benefits and Customer Service – Death Benefit Processes – Payments to Beneficiaries and Member Death Verification

- Audit the process for verifying eligibility for survivor benefits, particularly for minor children, for a specific period of time to assess whether the surviving beneficiary eligibility verification process is functioning as designed.

Steps:

Population data of the specific period for this area will be obtained and a representative sample will be selected utilizing statistical sampling technique. One-year data would provide adequate data to trace the SBCERA process for effectiveness as it relates to both the death of retirees and the subsequent calculations for the death of active members.

Following procedures for the representative sample will be performed:

- A. Review beneficiary/survivor's marriage license and/or birth certificate to verify the relationship to the deceased.
 - B. If the surviving beneficiary is less than 18 years old, verify court documentation to identify and verify the legally- appointed guardian.
- Audit member death verification process including updates to member records as a result of enrollment information changes, personal information changes, family changes, and/or death of member or beneficiary for a specific period to assess whether the procedures are functioning as designed.

Steps:

Following procedures for the representative sample will be performed:

- A. Review copy of the completed "Death Benefit Election Form." Signed and returned by beneficiary in the Pension Gold Imaging system.
 - B. Verify Death Certificate was obtained prior to disbursement to elected beneficiary. View in Pension Gold Imaging system.
 - C. Verify participant was properly excluded from payroll. By reviewing the payment register under the benefits tab in Pension Gold and ensured that payments did not continue after the date of death.
 - D. Verify member status is changed in the pension system.
 - E. If all records are provided verify payment is made to designated beneficiary shortly after date of death (if applicable, this includes death benefit, life insurance or continuance pay).
 - F. Verify that the survivor/beneficiary received the accurate benefit payment and onetime burial allowance, if applicable
- Audit collection process for overpayments resulting from member or beneficiary death.

Steps:

Following procedures for the representative sample will be performed:

- A. Review notification submitted to member or verification for overpayment.
- B. Recalculate the overpayment using the data from Pension Gold.
- C. View check payment from member or beneficiary.
- D. Trace check to the copy of receipt signed by SBCERA recipient.
- E. Trace check to the electronic deposit detail report.
- F. Trace total from deposit detail report to bank statement.

TECHNICAL PROPOSAL*San Bernardino County Employees' Retirement Association*

- Make recommendations for any process improvements.

Our report will include our recommendations, if any for process improvement that comes to our attention while performing the above agreed upon procedures.

AUP-3: Financial and Investment Operations – Cash Management Procedures and Wire Transfer Processes

- Audit cash management procedures for a specific period of time to assess if the procedures are functioning as designed

Steps:

Population data of the specific period for this area will be obtained and a representative sample will be selected utilizing statistical sampling techniques. The procedures would examine the validity of the payments made to SBCERA's investments and fund managers, including any commitment balances authorized by the Board of Retirement:

Following procedures for the representative sample will be performed:

- A. Select a sample of cash disbursements and cash receipts from the general ledger and trace to supporting documentation such as invoices and checks.
- B. Trace the transaction from source documents to bank statement.
- C. Verify bank statement agrees to reconciliation and is properly signed by the preparer and approver and traces to the general ledger in aggregate.

- Audit wire transfer processes for a specific period of time to assess whether the process is functioning as designed. Test whether internal controls on investment commitments vs. funding are functioning as designed for investment capital calls.
 - Audit wire transfer processes for a specific period of time to assess whether the process is functioning as designed. Test whether internal controls on investment commitments vs. funding are functioning as designed for investment capital calls.

Steps:

Following procedures for the representative sample will be performed:

- A. Verify that the transfer was properly approved by authorized individuals on the eCFM system, independent of the individual who initiated the transfer.
- B. Trace transfer to supporting documentation, such as capital call requests.
- C. Trace wire transfer to the Custodian's statements to validate the wire was completed accurately and in a timely manner.

- Make recommendations for any process improvements.

Our report will include our recommendations, if any for process improvement that comes to our attention while performing the above agreed upon procedures.

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.

TECHNICAL PROPOSAL*San Bernardino County Employees' Retirement Association*

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 finding(s) 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 working papers 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 quality control partner not directly involved in the engagement for concurrence prior to release of the report to SBCERA.

TECHNICAL PROPOSAL

San Bernardino County Employees' Retirement Association

Timetable

Below is the proposed timeline of the engagement. Once contracted we will create critical dates list with an aggressive schedule for specific dates that management has agreed to that will ensure a smooth flow of the AUP process and completion before May 30th.

Timing	Phase	Staff	Hours
Jan-March	Planning, Control Environment Evaluation and, Establishment of Agreed-Upon Procedures <ul style="list-style-type: none"> 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 Supervisor Staff Others	35 100 150 15
April-May	Completion of the AUPs and Reports Issuance <ul style="list-style-type: none"> 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 May 30-2021 Available for reports presentation to Audit Committee/Board of retirement, if required. 	Partner Supervisor Staff Others	45 30 15 25

4. Schedule of Hourly Rates and Expenses

Schedule of Hourly Rates and Expenses			
	Hours	Hourly Rates	Total
Partners	80	\$241	\$ 19,280
Supervisor	130	\$88	11,440
Staff	165	\$68	11,220
Clerical	40	\$40	1,600
Total All-Inclusive Maximum Price	415		\$ 43,540

TECHNICAL PROPOSAL

San Bernardino County Employees' Retirement Association

5. Fee Estimate

Benefits and Customer Service - Accuary of Member Information			
	Hours	Hourly Rates	Total
Partners	25	\$241	\$ 6,025
Supervisor	45	\$88	3,960
Staff	55	\$68	3,740
Clerical	15	\$40	600
Total All-Inclusive Maximum Price	140		\$ 14,325
Benefits and Customer Service - Death Benefit Processes - Payments to Beneficiaries and Member Death Verification			
	Hours	Hourly Rates	Total
Partners	30	\$241	\$ 7,230
Supervisor	45	\$88	3,960
Staff	60	\$68	4,080
Clerical	15	\$40	600
Total All-Inclusive Maximum Price	150		\$ 15,870
Financial and Investment Operations - Cash Management Procedures for Wire Transfer Processes			
	Hours	Hourly Rates	Total
Partners	25	\$241	\$ 6,025
Supervisor	40	\$88	3,520
Staff	50	\$68	3,400
Clerical	10	\$40	400
Total All-Inclusive Maximum Price	125		\$ 13,345

EXHIBITS*San Bernardino County Employees' Retirement Association***Exhibit I****External Quality Control 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

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

EXHIBITS

San Bernardino County Employees' Retirement Association

Exhibit II

Summary of Recent Governmental Experience

CITIES	RETIREMENT PLANS	SPECIAL DISTRICTS
City of Bakersfield City of Baldwin Park City of Burlingame City of Delano City of Fresno City of Lindsay City of Modesto City of Pasadena City of Santa Barbara City of Seaside City of Tulare City of Visalia City of Laguna Woods City of Paso Robles City of St. Helena	Contra Costa County Employees' Retirement Association Fresno City Employees' Retirement System Fresno County Employees' Retirement Association Fresno Metropolitan Flood Control SJAFCA Pension Plan and Trust 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 Orange County Employees' Retirement System Pasadena Fire & Police Retirement System Sacramento County Employees' Retirement System San Bernardino County Employees' Retirement Association 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 SJAFCA Retirement Plans San Luis Obispo County Employees' Pension Trust San Mateo County Employees' Retirement Association Santa Barbara County Employees' Retirement System Sonoma County Employees' Retirement Association Tulare County Employees' Retirement Association Ventura County Employees' Retirement Association	Antelope Valley East Kern Water Agency Bear Mountain Recreation and Park District California Valley Community Services District Cawelo Water District Delano Mosquito Abatement District East Bay Regional Park District Fresno Irrigation District Fresno Metropolitan Flood Control District Kern Tulare Water District Kern Water Bank Authority Kings County Economic Development Corporation Lamont Public Utility District Mojave Public Utility District Mother Lode Job Training Agency Riverside County Habitat Conservation Agency Pasadena Center Operating Company Pixley Public Utility District Port Hueneme Water Agency Rosamond Community Services District Rose Bowl Operating Company San Joaquin Area Flood Control Agency San Joaquin Valley Air Pollution Control District South San Joaquin Irrigation District Stanislaus County Community Services Agency
TRANSIT DISTRICTS		COUNTIES
Anaheim Transportation Network Antelope Valley Transit Authority Central Contra Costa Transit Authority Eastern Contra Costa Transit Authority Fresno County Transportation Authority Golden Empire Transit District Kern Council of Governments Napa Valley Transportation Authority 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 Sunline Transit Agency Tulare County Association of Governments	County of Fresno County of Kern County of Kings County of Merced County of Riverside County of San Joaquin County of San Luis Obispo County of Santa Barbara County of Santa Cruz County of Stanislaus County of Tulare County of Napa
NON-PROFITS	SCHOOL DISTRICTS	HEALTH CARE
Bakersfield ARC Community Action Partnership of Kern Community Action Partnership of San Luis Obispo Community Action Partnership of Madera County Goodwill Industries of South Central California Kern County Bar Association Kern County Library Foundation Missionary Church Western Regional Pasadena Chamber of Commerce Pasadena Community Access Corporation Tranquil Waters Guidance Center Valley Consortium for Medical Education Women's Center – High Desert	Bakersfield City School District Castaic Union School District Delano Union School District Kern County Superintendent of Schools Richgrove Elementary School District Saugus Union School District Taft Union High School District Tehachapi Unified School District Visalia Unified School District	Kern Health Systems Kern Medical Liberty Health Advantage Heritage Provider Network Heritage California Medical Group Heritage New York Medical Group Southwest Health Care District West Side Health Care District Riverside County Health System - Medical Center San Joaquin County General Hospital Stanislaus County Health Services Agency