



Vavrinek, Trine, Day & Co., LLP
Certified Public Accountants & Consultants

VALUE THE DIFFERENCE

November 3, 2018

Mr. Tim McLellan, Ed.D
Assistant Superintendent
Cypress School District
9470 Moody Street
Cypress, CA 90630

Dear Dr. McLellan:

Thank you for your desire to continue to contract with our firm to provide non-audit accounting services to the Cypress School District.

This engagement letter has been prepared to address your needs in conformance with Government Accounting Standards (GAO).

The standards to which VTD will conform are intended to better serve the public interest and to maintain a high degree of integrity, objectivity and independence for both audit work and for non-audit work with government clients.

The standard for non-audit services for government audit clients is based on two overarching principles:

- Auditors (VTD) should not perform management functions or make management decisions; and
- Auditors (VTD) should not audit their own work or provide non-audit services in situations where the amounts or services involved are significant / material to the subject matter of the audit.

In accordance with these principles, our available resources, and considering your needs, our firm suggests the following way that we can assist you and your staff. .

PURPOSE OF THE ENGAGEMENT

The District requests assistance in accounting and budgeting.

SCOPE OF SERVICES

The work will be non-audit services as defined by Governmental Auditing Standards issued by the Comptroller General of the United States. Our work will not constitute an audit or review of transactions and should not be relied upon as such.

The District is responsible for the appropriate recording and reporting of financial transactions and management decisions. Accordingly, all work will be conducted at your direction or the Director, Fiscal Services to ensure that the work meets the District's objectives. Either the Chief Business Official or the Director will be responsible for review and approval of any work product directly prepared by VTD,

including any adjustments to the accounting records that may be proposed by VTD, or reports drafted by VTD during the engagement.

Governmental Auditing Standards require that the district be responsible for the substantive outcomes of VTD work and be in a position in fact and appearance to make an informed judgment on the results of the non-audit services and that the District:

- Designates a knowledgeable management level individual to be responsible and accountable for overseeing the non-audit services.
- Establishes and monitors the performance of the non-audit services to ensure that it meets management's objectives.
- Makes any decisions that involve management functions related to the non-audit services and accepts full responsibility for such decisions.
- Evaluates the adequacy of the services performed and any findings that result.
- Informs the board of this engagement.

DELIVERABLES

Specific services to be provided follow. Any additional services requested, other than routine advice and training will require an amendment of this agreement.

VTD will assist the District staff in the following areas as requested for General Ledger Accounting & Budget Assistance, Business Staff Training, Negotiations Support, and assistance in the completion of forms required by various governmental agencies.

During the course of our engagement, you may request that we provide services outside the defined scope of this agreement. For us to consider such services, we require you provide a request in writing to us via the engagement partner. Should we agree to provide the additional services outlined in your written request, we will discuss with you the terms of those services and document those terms in an appropriate form, which may include an amended or separate engagement letter.

STAFFING

The Partner in charge of the engagement will be Caroline Larson. Every effort will be made to delegate work to our accounting staff to minimize the expense to the District and/or meet District deadlines.

Vavrinek, Trine, Day & Co., LLP has owners that are not licensed as certified public accountants as permitted under Section 5079 of the California Business and Professions Code. It is not anticipated that any of the non-licensee owners will be performing audit services for the agency.

FEES

Fees will be based on the hours worked. Invoices will be submitted monthly and are due upon receipt.

VTD Staff	Hourly Rate January 1, 2019 through December 31, 2019
Partner / Principal	\$225
Consultant / Manager	\$200
Supervisor	\$175
Senior Accountant	\$150
Staff Accountant	\$125
Paraprofessional	\$100

In addition to such payment for personal services, VTD shall be reimbursed for such travel as may be necessary, including expenses for hotels, meals and mileage computed at the Internal Revenue Service (IRS) approved rate per mile.

TERMINATION OF ENGAGEMENT

The engagement may be terminated by either party without cause.

INDEPENDENT CONTRACTOR

We are an independent contractor as defined by Federal and State taxing authorities.

INSURANCE

We maintain current worker compensation and liability insurance policies.

If this letter correctly sets forth your understanding of the terms and objectives of the engagement, please so indicate by signing in the space provided below.

Sincerely,



Caroline Larson

VAVRINEK, TRINE, DAY & CO., LLP.
Date: November 3, 2018

Superintendent or Designee

CYPRESS SCHOOL DISTRICT
Date: