

**PROPOSAL FOR INDEPENDENT AUDIT SERVICES**

**MT. DIABLO UNIFIED SCHOOL DISTRICT  
RFP#1935**

**For the Fiscal Years Ending  
June 30, 2023  
June 30, 2024  
June 30, 2025**

**NIGRO & NIGRO<sup>PC</sup>**

*Respectfully Submitted on April 28, 2023 by:*

Jeff Nigro, CPA, CFE  
Nigro & Nigro, PC  
jnigro@nncpas.com

**Murrieta Office:** 25220 Hancock Ave. #400, Murrieta, CA 92562 • P: (951) 698-8783 • F: (951) 699-1064  
**Walnut Creek:** 2121 N. California Blvd. #290, Walnut Creek, CA 94596 • P: (844) 557-3111 • F: (844) 557-3444

**MT. DIABLO UNIFIED SCHOOL DISTRICT  
PROPOSAL FORM**

To the Honorary Board of Education: Nigro & Nigro, PC  
(Firm Name)

hereby proposes the total cost per fiscal year excluding State or County Sales or Use tax, if any, is:

<b>Fiscal Year</b>	<b>Total Cost</b>
<b>2022-23</b>	\$ 55,300
Anticipated hours:	
<i>Partner</i>	80
<i>Managing Auditor</i>	160
<i>All Other Staff</i>	200
<b>2023-24</b>	\$ 56,500
Anticipated hours:	80
<i>Partner</i>	160
<i>Managing Auditor</i>	200
<i>All Other Staff</i>	
<b>2024-25</b>	\$ 58,000
Anticipated hours:	
<i>Partner</i>	80
<i>Managing Auditor</i>	160
<i>All Other Staff</i>	200

The District has the option to extend this contract for the fiscal years 2025-26 and 2026-27 for the following amounts:

<b>Fiscal Year</b>	<b>Total Cost</b>
<b>2025-26</b>	\$ 58,000
Anticipated hours:	440
<b>2026-27</b>	\$ 58,000
Anticipated hours:	440

FIRM NAME: Nigro & Nigro, PC

AUTHORIZED SIGNER: Jeff Nigro, CPA , CFE

ADDRESS: 25220 Hancock Ave Ste 400

CITY, STATE, ZIP: Murrieta, CA 92562

PHONE: (951) 699-8783

EMAIL: jnigro@nncpas.com

The Bidder is (Check One):  Corporation  
 Partnership  
 Sole Proprietorship

If the Bidder is a Corporation, the bid should be signed with the name of the Corporation by an officer authorized to execute a bid on behalf of the Corporation. This Corporation is organized and existing under and by virtues of the Laws of the State of California.  
Federal Tax ID Number: 30-0636241.

If the Bidder is a Partnership, the bid should be signed with the name of the partnership by one of the partners.  
Federal Tax ID Number: \_\_\_\_\_.

If the Bidder is unincorporated and a Sole Proprietorship, the bid should be signed with the name of the Sole Proprietor by that person.  
Social Security Number or Federal Tax ID Number: \_\_\_\_\_.

Submitted herewith is our proposal to perform the annual audit for the Board of Education of the Mt. Diablo Unified School District for the fiscal years ending June 30, 2023, June 30, 2024, June 30, 2025, June 30, 2026, and June 30, 2027.

The undersigned agrees to perform the audit specified at a total cost not to exceed: ANNUAL CONTRACT \$ 55,300 for 2022-23, \$56,500 for 2023-24, and \$58,000 for 2024-25 through 2026-27. Audit Fees for the Measure C and Measure J Prop. 39 financial and performance audits will be \$6,500 per year for each audit.

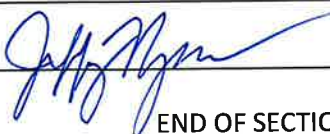
The audit will be performed in accordance with the requirements outlined in the "REQUEST FOR PROPOSALS FOR THE DISTRICT ANNUAL AUDIT" and will be performed by the personnel identified in the "Statement of Qualifications". The firm will enter into an agreement with the Mt. Diablo Unified School District in the form submitted with this Request for Proposals.

Name of Accounting Firm: Nigro & Nigro, PC

Name of Authorized Person: Jeff Nigro

Title of Authorized Person: President/CEO

Date: 4-26-23

Signature (wet in blue ink):  \_\_\_\_\_  
END OF SECTION

**MT. DIABLO UNIFIED SCHOOL DISTRICT  
AUDIT AGREEMENT**

**DATE:** \_\_\_\_\_

**PLACE:** Concord, California

**PARTIES:** MT. DIABLO UNIFIED SCHOOL DISTRICT hereinafter referred to as "DISTRICT", and \_\_\_\_\_, hereinafter referred to as "CONTRACTOR".

**RECITALS:**

- A. *California Education Codes Sections 14500 et seq. and Sections 41020 et seq.* provide for an annual audit of all funds under the jurisdiction and control of the DISTRICT. The audits are to be made by a certified public accountant or a public accountant licensed by the California State Board of Accountancy.
- B. It is the intention of DISTRICT to comply with the provisions of *Education Code Sections 14500 et seq. and Sections 41020 et seq.* to provide for an audit of the books and records of the Mt. Diablo Unified School District and to engage an audit firm for three (3) consecutive years, subject to satisfactory compliance in the prior year with the terms and conditions set forth herein.
- C. CONTRACTOR is a certified public accountant duly authorized to practice in the State of California and licensed as such by the California State Board of Accountancy. DISTRICT desires to engage CONTRACTOR to audit all books and accounts of DISTRICT for a period of three (3) consecutive years, subject to the terms and conditions described below, and CONTRACTOR desires to accept those conditions.

In consideration of the mutual covenants contained herein, the parties agree as follows:

1. Contract. DISTRICT hereby contracts with CONTRACTOR and CONTRACTOR hereby contracts with DISTRICT to audit all books and accounts of DISTRICT in the matter and upon the conditions set forth in the Audit Agreement, the Request for Proposal for the Annual Audit of Funds, and the Bid Proposal (hereinafter collectively referred to as "the Agreement"). The relationship between DISTRICT and CONTRACTOR shall be one of independent contract and not employment. CONTRACTOR shall have the right to control the manner and means by which services are performed. All payments to CONTRACTOR shall be fees for services rendered, not wages and not subject to the deductions required by law from wages.
2. Term. The term of the Agreement shall be for three (3) consecutive years, with the option to extend for an additional two (2) years at one-year increments which is subject to CONTRACTOR's satisfactory compliance in the prior year with the terms and conditions of the Agreement, commencing upon execution of the agreement.

3. **Audit Procedure.** The audit shall be made in accordance with Education Code Sections 41020 et seq. and Sections 14500 et seq. and generally accepted auditing standards. It shall include, to the extent applicable, the audit procedures required by the Controller of the State of California (hereinafter referred to as “the Controller”) as detailed in the publication of the California state Department of Education entitled “Standards and Procedures for Audits of California Local Educational Agencies (hereinafter referred to as “the Audit Guide”), and such other publications on local educational audit procedures of said Department as have been, or shall be, issued during the period of the Agreement.

All audit reports for the 2023 fiscal year, and for each subsequent fiscal year shall be developed and reported using a format established by the State Controller after consultation with the Superintendent of Public Instruction pursuant to *Education Code Section 42010*. The Audit shall also include an audit of attendance procedures and other State compliance areas, Federal programs, and any other additional procedures as required by the State Controller.

4. No later than April 1st of each fiscal year, the following information will be provided to the District by the Audit Firm:
  - Name of Partner who will have primary responsibility for the AUDIT.
  - Name of personnel, with their classifications, who will be assigned to the AUDIT:
  - Resumes of the staff members to be assigned to the engagement. The resumes should indicate:
    - Position in firm,
    - Years of experience,
    - Experience in the area of Unified School District, and
    - Education.
  - The percentage of the audit work and number of hours the firm expects to accomplish in each month:

Month	Percentage of Work to be Completed	Number of Hours
April		
May	45%	198
June		
July		
August		
September		
October	45%	198
November	5%	22
December	5%	22
<b>Total</b>	<b>100%</b>	<b>440</b>

5. The following timeline will be adhered to each fiscal year, unless circumstances outside the control of the Audit Firm prevent such timeline being met:

TASK	TIMING
Review of warehouse inventory process, if mutually agreed review should be performed	End of April
Listing of work papers required, with samples (as needed)	Early June
Interim field work	Mid-June
Field (substantive) work	Mid-September
Submit draft BOND audit reports to District	Early November
Submit draft audit reports to District	NLT Third Monday in November
Present Bond Audit Report to Oversight Committee	Late Nov/Early December
Submit final audit report to District	First Monday of December
Present final audit report to the Board of Education	Second Wednesday of December (subject to change)

6. Audit Scope. The scope of the audit shall include all funds and accounts under the control or jurisdiction of DISTRICT, including, but not limited to the following:

SACS Fund	Corresponds with District Fund(s)
01 General Fund	01 General Fund 03 Note Repayment - TRANS (A Series) 04 Note Repayment - TRANS (B Series) 05 Proceeds from TRANS (A Series) 06 Proceeds from TRANS (B Series)
08 Student Activity Special Revenue Fund	22 Student Activity Fund
09 Charter Schools Fund	80 Eagle Peak Charter School Fund
11 Adult Education Fund	70 Adult Education Fund
13 Cafeteria Fund	46 Food Services Fund
14 Deferred Maintenance Fund	85 Deferred Maintenance Fund
21 Building Fund	08 Maintenance Building Fund 10 Building Fund 10 Measure J Series B 16 Measure C 2010 Bond Construction Fund 17 Measure C Series 2004 17 Measure C Series 2006
25 Capital Facilities Fund	11 Developer Fee Fund 21 Pittsburg New School Construction Fund
35 County School Facilities Fund	33 State School Building Fund-Prop 55 Money 34 State School Building Fund - Bay Point School 35 State School Building Fund
49 Capital Project Fund for Blended Component Units (Construction Funds for Measure A)*	12 Measure A Operating Fund* 15 Measure A Bond Construction Fund*

<b>SACS Fund (Continued)</b>	<b>Corresponds with District Fund(s) (Continued)</b>
51 Bond Interest and Redemption Fund	95 Measure C 2006 Debt Service 96 Measure C 2010 Debt Service
52 Debt Service Fund for Blended Component Units (Debt Service for Measure A)*	90 Bond Interest & Redemption Fund* 91 Bond Interest & Redemption Fund* 92 Bond Reserve Account* 93 Measure A Prior-Redemption Fund*
73 Foundation Private-Purpose Trust Fund	30 Tosco Environmental Scholarship Fund

\*Mello Roos Funds

The periods to be audited shall be for each of the three (3) consecutive fiscal years beginning July 1, 2022 subject to satisfactory compliance with the Agreement by CONTRACTOR in the prior year as set forth in Paragraph 1 above.

When CONTRACTOR can and does place reliance upon the work of a state agency, another individual accountant or firm of public accountants or certified public accountants, CONTRACTOR shall state in his/her report the extent of such reliance and shall name the agency, accountant or accountants upon whose work he/she relies. Nothing in this paragraph shall be construed to limit the responsibility of CONTRACTOR or to obligate CONTRACTOR to accept or perform work that is not in compliance with this specification of the Agreement.

- a. Extra Work and Services. In the event that the circumstances indicate that a more detailed verification is required, in addition to that which would be sufficient under ordinary circumstances, the auditor agrees to notify the District in writing of all facts relative to extraordinary circumstances, together with a written estimate of the additional cost of work and services thereof. The hourly rate of compensation for such fees shall be the average cost per hour, plus out-of-pocket expenses, as set forth in the submitted proposal. No claims of the auditor for extra work or services shall be allowed or paid without prior written consent or approval of the District.

Throughout the year, the District requires additional services from the audit firm such as having auditors accessible to the District by providing telephone and written services for such purposes as answering accounting questions of unusual nature, answering State or Federal agencies who might question some areas or comments contained in the audit report, and similar issues. These services shall be provided at no additional fee during the tenure of the contract.

- b. Compensation:
  1. CONTRACTOR agrees to provide all auditing service to be performed with the aid and assistance of such accountants and clerical employees as shall be employed and paid by CONTRACTOR. The total compensation to be paid for the audit for each fiscal year shall not exceed the amounts listed below (hereinafter referred to as “the maximum total amount”):

<b>Fiscal Year</b>	<b>Total Cost</b>
<b>2022-23</b>	\$ 55,300
Anticipated hours:	
<i>Partner</i>	80
<i>Managing Auditor</i>	160
<i>All Other Staff</i>	200
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<b>2024-25</b>	\$ 58,000
Anticipated hours:	
<i>Partner</i>	80
<i>Managing Auditor</i>	160
<i>All Other Staff</i>	200

Possible two-year extension:

<b>Fiscal Year</b>	<b>Total Cost</b>
<b>2025-26</b>	\$ 58,000
Anticipated hours:	440
<b>2026-27</b>	\$ 58,000
Anticipated hours:	440

7. All compensation to CONTRACTOR shall be billed and paid for on a progressive basis as follows:
  - a. On the last day of the first month following commencement of the audit, a billing will be made for ninety-five (95%) of the hours worked.
  - b. On the last day of each succeeding month, until each annual audit is completed, a billing will be made for ninety-five percent (95%) of the hours worked, provided that the sum total of Subparagraphs (1) and (2) does not exceed ninety-five percent (95%) of the maximum total amount to be billed for that fiscal year.
  - c. The final billing for each fiscal year shall be deferred until the Controller certifies that the audit report conforms to the reporting provisions of the Audit Guide.
  - d. If the prior year's audit report was not certified by the Controller as confirming to reporting provisions of the Audit Guide, fifty percent (50%) of the audit fee for each subsequent year of this agreement shall be withheld.



*The agreement will be null and void if the contractor or the contractor's firm or an individual employed by the contractor to perform services under the agreement is declared ineligible to perform LEA audits pursuant to Education Code Section 41020.5. The withheld amount shall not be payable unless payment is ordered by the State Board of Accountancy or the audit report for that subsequent year is certified by the controller as conforming to reporting provisions of the audit guide.*

  
\_\_\_\_\_  
Initials – CONTRACTOR

\_\_\_\_\_  
Initials – DISTRICT

In the event the Controller determines that the audit report is not in conformance with reporting provisions of the Audit Guide, no additional compensation shall be paid to the CONTRACTOR for additional audit services rendered to amend the audit report to bring it into compliance for certification by the Controller, unless such payment is otherwise ordered by the State Board of Accountancy.

8. Work Space. As a part of the consideration for this Agreement, DISTRICT shall provide CONTRACTOR with adequate office facilities, exclusive of equipment, supplies or services, for the consummation of the work hereunder without additional charge to CONTRACTOR.
9. Reports. All audit reports for the 2022-2023 fiscal year and for the subsequent fiscal year, shall be developed and reported using a format established by the Controller, after consultation with the Superintendent of Public Instruction as required by law. The report shall include a statement that the audit was conducted pursuant to standards and procedures developed in accordance with *California Education Code Sections 14500 et seq.*, and a summary of audit exceptions and management improvement recommendations.

Copies of said reports shall be prepared, substantially bound, and filed by CONTRACTOR with each of the following offices and departments not later than December 15 following the end of the fiscal year for which the audit report is prepared:

- a. State Controller's Office – Audit Division (one copy)
- b. Department of Education – School Business Services Division (one copy)
- c. Federal Audit Clearinghouse (one copy)
- d. Mt. Diablo Unified School District (20 bound copies)

For example, the audit report for the fiscal year ended June 30, 2023 is due on December 15, 2023.

Not later than two weeks prior to the finalization of the audit report, CONTRACTOR shall provide DISTRICT's CHIEF BUSINESS OFFICIAL, Business Services, or designee, with a management letter and an exit interview. In addition, the partner in charge of the audit report shall be available to present the report to the DISTRICT's Board of Education not later than January 31st.

10. Substantial Change in Auditing Standards. If there is a substantial change in the audit standards required by the California Education Code or the Controller which either increases or decreases the amount of work necessary to comply with the completion of annual audit reports as specified herein, the parties agree that either party may, after giving written notice to the other party, terminate the Agreement provided such notice is received by the other party no later than March 15th of the year in which the audit is to be performed.
11. Attorney's Fees. In the event of any action or proceeding brought by either party against the other under the Agreement, the prevailing party shall be entitled to recover from the other party for the fees of its attorneys in such action or proceeding in such an amount as the court may adjudge reasonable.
12. California Law. The Agreement shall be construed in accordance with and governed by the laws and decisions of the State of California.
13. Severance. The unenforceability, invalidity, or illegality of any provision of the Agreement shall not render the other provisions of the Agreement unenforceable, invalid, or illegal.
14. Entire Understanding/Headings. The Agreement sets forth the entire understanding between the parties with respect to the matters provided for herein and supersedes all prior agreements, covenants, arrangements, communications, representations or understandings, whether oral or written, by either party. Headings at the beginning of each numbered paragraph of the Agreement is solely for the convenience of the parties and is not a part of the Agreement.
15. Successors. The Agreement shall be binding on and inure to the benefit of the parties and their successors.
16. Notices. All communications, notices, and demands of any kind which either party may be required or desire to give to or serve upon the other party shall be made in writing and either delivered personally or sent by first class mail, postage prepaid to the address set forth below. Any such notice shall be presumed to have been received by the addressee forty- eight (48) hours after posting in the United States Mail. Either party may change its address by giving the other party written notice of its new address.
17. Working Papers. For the winning bidder, working papers shall be retained by the auditor for the period of five (5) years after final payment under this agreement is made, unless otherwise specified by the District. Such working papers shall be available for review and audit by the District, representatives of the Federal and/or State governments and other individuals designated by the District.

18. Termination. The District hereby reserves the right to terminate this contract at any time. In the event of such termination, the Auditor shall be paid the reasonable value of all services rendered up to the date of such termination as may be determined by the District, and the Auditor hereby expressly waives any and all claims for damages or compensation arising under this contract, except as set forth herein, in the event of such termination.

To the DISTRICT: Mt. Diablo Unified School District  
Chief Business Official, Business Services  
1936 Carlotta Drive  
Concord, California 94519-1397

To the CONTRACTOR:  
Firm Name: Nigro & Nigro, PC  
Authorized Person or Title: Jeff Nigro, CPA, CFE  
Street Address, Suite#: 25220 Hancock Ave #400  
City, State Zip: Murrieta, CA 92562

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 2023 at Concord, California

**MT. DIABLO UNIFIED SCHOOL DISTRICT**

BY (wet signature in blue ink): \_\_\_\_\_

Printed Name and Title: \_\_\_\_\_

CONTRACTOR: Nigro & Nigro, PC

BY (wet signature in blue ink):  \_\_\_\_\_

Printed Name and Title: Jeff Nigro, CPA, CFE

END OF SECTION

**NONCOLLUSION DECLARATION**  
**Public Contract Code § 7106**  
**TO BE EXECUTED BY BIDDER AND SUBMITTED WITH RFP**

The undersigned declares:

I am the President/CEO **[PRINT YOUR TITLE]**

of Nigro & Nigro, PC **[PRINT FIRM NAME]**

the party making the foregoing bid.

The RFP/bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The bid is genuine and not collusive or sham. The bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid. The bidder has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or to refrain from bidding. The bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder. All statements contained in the bid are true. The bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof, to effectuate a collusive or sham bid, and has not paid, and will not pay, any person or entity for such purpose.

Any person executing this declaration on behalf of a bidder that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the bidder.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on the following date:

Date: 4-28-23

Proper Name of Contractor: Nigro & Nigro, PC

City, State: Murrieta, CA

Signature (wet in blue ink): 

Print Name: Jeff Nigro

Title: President/CEO

*END OF DOCUMENT*

**MT. DIABLO UNIFIED SCHOOL DISTRICT  
STATEMENT OF QUALIFICATIONS – ANNUAL AUDIT**

Name of Firm: Nigro & Nigro, PC

Address: 25220 Hancock Ave. #400

Murrieta, CA 92562

Telephone: ( 951 ) 698-8783 Email: Jnigro@nncpas.com

Name of partner who will have primary responsibility for the audit:  
Jeff Nigro, CPA, CFE

Names of personnel, with their classifications, who will be assigned to the audit:

NAME	CLASSIFICATION
Oscar Gonzalez	Manager
Stacey Coe	Senior
Zach Calpino	Accountant II
Daisy Melgar	Accountant