



HAYASHI | WAYLAND

May 12, 2020

To the Board of Directors/Administrative Committee
Monterey Peninsula Water Management District
P.O. Box 85
Monterey, California 93942

Attention: Suresh Prasad, C.F.O.

The purpose of this letter is to set your fee expectations regarding the audit(s) for the year(s) ended June 30, 2020 or June 30, 2020, 2021 and 2022.

Our fee estimates are based to a large extent on the quality, timeliness, and accuracy of the audit documentation that you and your staff prepare and the number and complexity of adjustments required to your general ledger(s). We will prepare a detailed list of the expected audit documentation which you will need to prepare before beginning the audit(s). The audit documentation will need to be completed prior to fieldwork at which time we perform a review of them in your offices. The estimates do not include any accounting assistance required to assist you in properly preparing the required audit documentation listed in the "Prepared by Client (PBC) List". The estimates also do not include additional time required to reconcile the audit documentation to appropriate detail and/or to the general ledger(s). Additional time will be billed at standard rates. The estimates assume that the audit documentation will be completely ready one week before the agreed upon starting dates for the audit(s). The following are our estimates:

Audit (*) Single Year – 2020 \$51,000

Audit (*) 3 Year Engagement:

2020	\$48,000
2021	\$49,500
2022	\$51,000

* Includes fees for compliance with the group audit standards.

In addition to the base audit fee estimated above, there will be additional fees annually for the implementation and ongoing testing of GASB pronouncements, any required CAFR assistance and preparation of the "Annual Report of Financial Transactions of Special Districts". The implementation of new standards requires us to perform more extensive procedures than in the past, resulting in an additional time commitment from both your employees and our audit personnel.

We estimate annual fees for the additional services as follows:

GASB Implementation/testing	\$7,000-10,000
CAFR Assistance	\$7,500
Annual Report of Financial Transactions	\$2,500



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If you have any questions regarding this fee estimate, please feel free to contact me.

Sincerely,

Rae Gularte, CPA
Hayashi Wayland

