



PROPOSAL FOR
FISCAL AND
COMPLIANCE AUDITS

Prepared By:

Davis Farr LLP
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HUMBOLDT COUNTY ASSOCIATION OF GOVERNMENTS

611 I Street, Suite B
Eureka, CA 95501

February 27, 2025

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- Peer Review Documentation
- Resumes

February 27, 2025

Humboldt County Association of Governments
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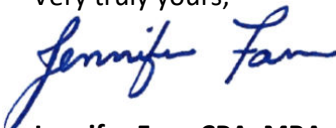
We are pleased to provide our proposal to perform audit services for the Humboldt County Association of Governments (“HCAOG”) for Fiscal and Compliance Audits for the fiscal years ending June 30, 2025 through 2027.

Our service philosophy is one of open and constant communication, a proactive approach and responsive, value-added services. We will listen to your ideas and concerns and will bring creative solutions to you in both financial and other operational areas. We are aware that while HCAOG has solicited numerous proposals, Davis Farr LLP would be your best selection for the following reasons which are set forth in greater detail in our proposal:

- We have extensive experience performing Transit Financial and Compliance audits in the State of California. We are currently engaged to perform a similar scope of services for the San Diego Association of Governments, which includes 15 annual claimant financial and compliance audits for TDA, LTF, and STA funding as well as 24 annual claimant audits for TransNet funding. Our past experience ensures we understand the scope of work, regulations, time commitment, and complexities of the engagement. This will reduce the burden on HCAOG staff time and will allow us to immediately perform a focused and efficient audit within the required timeframe.
- We specialize in auditing California government agencies including many regional government agencies such as the San Diego Association of Governments, the Coachella Valley Association of Governments, the Tahoe Regional Transportation Agency, the San Diego County Water Authority, the Placer County Water Authority, and the Counties of Los Angeles, Orange, and San Diego. Our extensive knowledge of California government accounting and auditing enables us to provide high quality audit services to the Humboldt County Association of Governments.
- We take a proactive leadership role in local government accounting and auditing issues. Jennifer Farr is the past Chair of the Government Accounting and Audit Committee of the Cal CPA Society, and our Partners are active members of the CSMFO Professional Standards Committee, the GFOA Special Review Committee, and other organizations. Our Partners and Managers are frequent speakers on technical topics at conferences and training events throughout California, including the CSMFO Annual Conference.

We appreciate the opportunity to share our credentials and look forward to further developing our professional relationship. Our proposal is a firm and irrevocable offer for 90 days. I certify that I am authorized to negotiate a contract with HCAOG. I look forward to you contacting me so that I may answer any further questions which you may have. You may contact me at (949) 783-1740 or by email at jfarr@davisfarr.com.

Very truly yours,



Jennifer Farr, CPA, MBA
Partner

Section A – Firm Qualifications

Background Information – Davis Farr LLP is a full-service regional accounting firm created in 2015 that specializes in providing attest and advisory services to federal, state, and local governments out of our California and Washington offices. This engagement would be serviced by our Irvine office. Our personnel have served governmental entities for over 30 years. The firm is owned by its Partners and does not have a controlling or financial interest in any other firm. A breakdown of our government audit personnel by classification is provided below.



License to Practice in California – Davis Farr LLP and all key personnel are licensed with the California State Board of Accountancy to practice as independent certified public accountants. Davis Farr LLP has a current Small Business Designation by the California Department of General Services.

Independence – Davis Farr LLP is independent with respect to the Humboldt County Association of Governments, as defined by U.S. General Accounting Office’s *Government Auditing Standards* and Generally Accepted Auditing Standards. Neither Davis Farr LLP nor the key personnel have any potential or real conflicts of interest. We have not performed any work for HCAOG in the last five years.

Insurance – Davis Farr LLP has sufficient insurance coverage to meet or exceed HCAOG’s requirements and will provide insurance certificates to HCAOG prior to entering into a contract.

Quality Control – Davis Farr LLP and its Partners are members of the American Institute of Certified Public Accountants (AICPA) and is a member of the AICPA’s Government Audit Quality Center. Our firm is a voluntary participant in the AICPA Peer Review Program. Included in the appendix is our most recent Peer Review report where our firm received a *Pass*. A *Pass* demonstrates the highest level of quality control in a Peer Review. The Peer Review included a review of government engagements. Davis Farr LLP has not had any federal or state desk reviews or field reviews during the past three years. There has been no disciplinary action taken or pending against the firm during the past three years with state regulatory bodies or professional organizations. No litigation regarding the provision of services have been brought by or against the firm.

Training – Every professional of the firm must enroll in continuing professional education courses. Each person is required to take at least 80 hours of training over a two-year period including 24 hours a year specific to government accounting and audit topics. Courses cover a wide spectrum of professional and technical subjects, and include Fraud Auditing, Professional Ethics and Governmental Accounting and Auditing topics to help the practitioner maintain his/her professional expertise.

	Classification	Number of Employees	
	Partners	8	
	Managers	11	
	Supervisors	8	
	Seniors	20	
	Staff	8	
	Administrative	6	
	Total personnel	61	

Professional Affiliations

Government Audit Quality Center – Davis Farr LLP is a member of the Government Audit Quality Center (GAQC). The GAQC promotes the importance of quality governmental audits and the value of such audits to purchasers of governmental audit services. GAQC is a voluntary membership center for CPA firms and state audit organizations that perform governmental audits.

National Registry of CPE Sponsors – Davis Farr LLP is registered to provide continuing professional education through the National Association of State Board of Accountancy (NASBA). NASBA recognizes CPE program sponsors who provide continuing professional education programs in accordance with nationally recognized standards. We provide CPE to our clients at our annual GASB Update.

CalCPA – Many of the CPAs employed by Davis Farr LLP are members of CalCPA and regularly participate in chapter meetings, education, and events. CalCPA recognized one of Davis Farr LLP’s partners with their *Women to Watch* award in the Experienced Leader category. Davis Farr has presented at several CalCPA **Women’s Leadership Forums**. Davis Farr LLP partners are also members of the **Governmental Accounting and Auditing Committee** of the CalCPA and founding firm Partner Jennifer Farr is the current past Chair of the Committee.

American Institute of CPAs – Davis Farr LLP and the firm’s Partners are members of the American Institute of CPAs (AICPA). The AICPA develops standards for audits, provides educational guidance materials to its members, and monitors and enforces compliance with the profession’s technical and ethical standards.

CSMFO – The Partners of Davis Farr LLP are members of the California Society of Municipal Finance Officers (CSMFO), the statewide organization serving all California municipal finance professionals. Firm personnel regularly attend CSMFO Chapter Meetings and Conferences. The Partners of Davis Farr LLP are frequent presenters on accounting and auditing technical topics at Chapter Meetings and Conferences. Davis Farr has been honored to present at many of the annual CSMFO conferences.

GFOA – The Government Finance Officers Association (GFOA) enhances and promotes the professional management of governmental financial resources by identifying, developing, and advancing fiscal strategies, policies, and practices for the public benefit. The Partners of Davis Farr LLP are members of the Certificate of Achievement Program’s Special Review Committee. The Committee reviews Annual Comprehensive Financial Reports submitted to GFOA for the Excellence in Financial Reporting Award Program.



Section B – Relevant Local, State, and Federal Experience

Davis Farr LLP is a leader in the local government sector throughout the Southern California Area. Currently, we service approximately 70 local, state, and federal government entities. Davis Farr LLP services routinely provided to our clients include, but are not limited to:



Our government expertise includes Cities, Special Districts, and other Governmental entities. A sample of special purpose government agencies that the professionals of Davis Farr LLP have served recently are the following:

- Coachella Valley Association of Governments
- County of San Diego
- Hass Avocado Board
- Irvine Ranch Water District
- Imperial Valley LAFCO
- Los Angeles LAFCO
- Metropolitan Water District of Southern CA
- Municipal Water District of Southern CA
- Orange County LAFCO
- Otay Water District
- Oxnard Housing Authority
- Placer County Water Agency
- Ramona Municipal Water District
- Rancho California Water District
- Salton Sea Authority
- San Diego County Water Authority
- San Diego Association of Governments
- Santa Juan Water District
- Santa Rosa Regional Resources Authority
- San Dieguito Riverpark Authority
- Soquel Creek Water District
- Tahoe Regional Planning Agency
- Tahoe Transportation District
- Vallecitos Water District
- Valley Sanitary District
- Ventura County Housing Authority
- Vista Irrigation District
- Yucaipa Valley Water District

Section C – References

For your convenience, we have listed below references for audit work currently being performed by Davis Farr LLP personnel for similar regional government agencies throughout Southern California. For each of the references, we currently serve as independent auditors or have served these clients for a number of years.

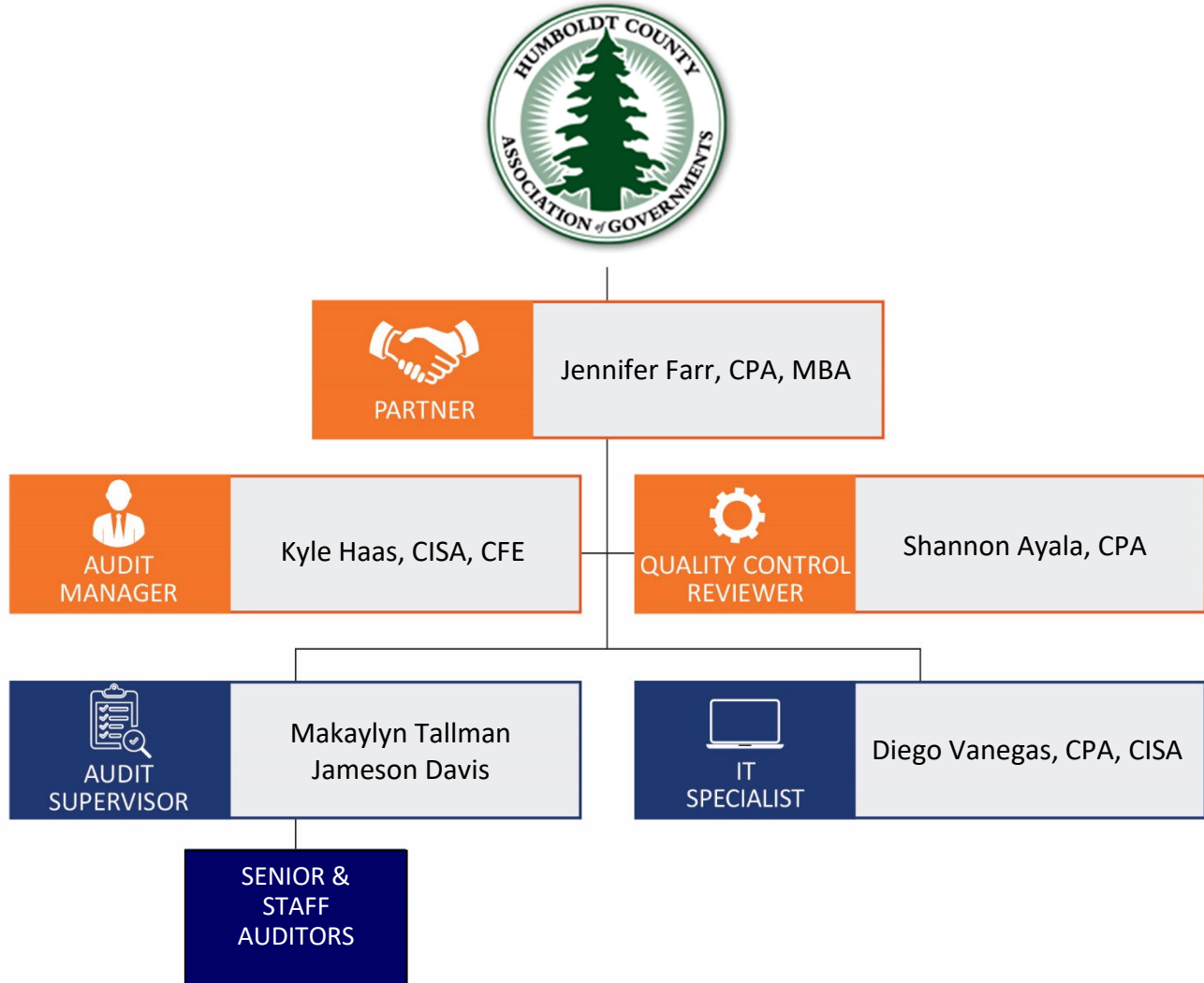
CLIENT 1	San Diego Association of Governments 401 B Street, Suite 800 San Diego, CA Sandi Craig, Finance Manager 619.699.6998 sandi.craig@sandag.org	<i>Financial Statement Audit TDA Financial Statement Audits Agreed Upon Procedures of agencies receiving grants and other program funding</i>	2,000 Hours
CLIENT 2	San Diego County Water Authority 4677 Overland Ave San Diego, CA Chris Woidzik, Controller 858.522.6679 cwoidzik@cdcwa.org	<i>Financial Statement Audit JPA Financial Statement Audit Agreed Upon Procedures of agencies receiving grants and other program funding</i>	1,000 Hours
CLIENT 3	Tahoe Regional Planning Agency 128 Market Street Stateline, NV Chris Keillor, Finance Director 775.589.5222 ckeillor@trpa.org	<i>Financial Statement Audit Single Audit Local Transportation Fund Audit State Transit Assistance Fund Audit Proposition 1B Fund Audit</i>	500 Hours

Section D – Project Organization and Key Personnel

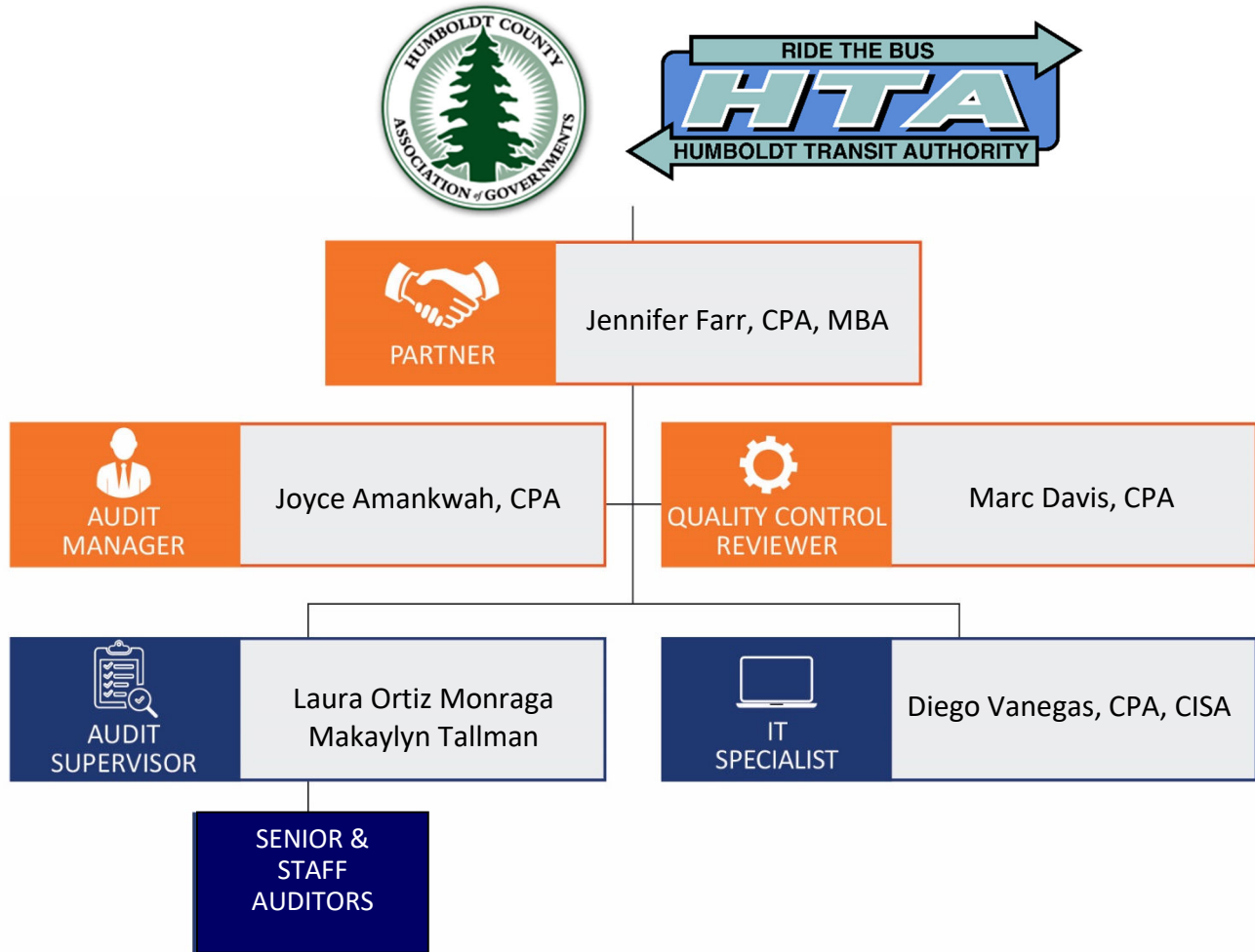
The successful outcome of any audit requires personnel with the managerial and technical skills to perform the work required. The engagement team who will serve HCAOG have served together as a team of professionals on numerous financial audit examinations of local government entities.

We believe that efficient administrative management and supervision of the audits is an extremely critical factor in achieving the desired results for the District. In that regard, our proposal organizational structure for providing independent auditing services is as follows:

TRANSIT FINANCIAL & COMPLIANCE AUDITS



FINANCIAL STATEMENT AUDITS FOR LARGER ENTITIES



Communication Channels

Our firm communicates audit requests and shares information using Caseware Cloud. The software allows for real-time updates on the status of outstanding requests, follow up questions, and pending items. We also utilize Microsoft Team for virtual meetings, phone calls for telephone meetings, and emails for quick communications.

Resolution of Problems

While we do not anticipate significant problems during the audit, should we have a disagreement about allowable costs with a claimant, we would carefully research the issue and provide our conclusion to the claimant. If we were unable to convince the claimant of our position, we would involve HCAOG staff in the discussion with the goal of reaching mutual consensus on an issue.

Section E – Approach

Davis Farr plans and conducts our engagements in the most efficient manner possible, and our audit approach is unique with regard to the following:

- Our firm is sensitive to the priorities and work requirements of our clients. We work around the schedules of our clients when scheduling segments of the audit or requesting documentation in order to minimize disruption of HCAOG staff and to complete the audit in a timely manner.
- Whenever possible, we use accounting support already prepared by HCAOG staff to avoid duplication or unnecessary requests for audit supporting schedules. Typically, we request support for balance sheet items, the year ending trial balance and cash and long-term debt confirmations.
- Our firm's expertise is in governmental auditing. Our auditors are GASB experts and skilled at addressing audit issues that are specific to local governments. You will not spend time training our personnel.
- When formulating internal control recommendations, we obtain a thorough understanding of the specific circumstances at HCAOG to provide a tailored, practical recommendation.
- Throughout the year we are a resource to our clients in providing accounting advice, researching technical questions, dealing with tax problems, and helping with other problems as they arise.

Audit Software - We utilize CaseWare audit software for the electronic copy of HCAOG workpapers. We are able to accept audit documentation in either hard copy or electronic format. CaseWare allows us the ability to import trial balances that can be provided in either excel or a text document.

Data Mining Software - We have a dedicated team of personnel trained to use special data mining software, IDEA. Our software uses source data from your accounting system to search for anomalies, such as duplicate or voided checks, cross-referencing vendor addresses with employee addresses, detecting accounting transactions recorded on the weekend, and reviewing journal entry postings for unauthorized individuals. The IDEA software identifies specific transactions for the auditors to review for potential fraud or error.

Internal Control Evaluation - Our approach to evaluating internal controls involves observation and inquiry. We spend time with the personnel responsible for the accounting cycles to gain an understanding of the processes. We also carefully evaluate your policies and procedures. After our initial evaluation, we identify key controls in your processes and design test to evaluate the effectiveness of those processes. In the initial year of the audit, we will focus on the following accounting cycles:

- Billing and cash receipting
- Capital assets
- Purchase and disbursements
- Payroll
- Investment and cash controls
- Information systems

In future years, we will review the accounting cycles noted above but also look at other processes such as credit card transactions, petty cash, inventory controls, offsite cash receipting, employee reimbursements, contract compliance, and other areas. Our goal is to modify our audit approach every year to further evaluate your internal controls.

TRANSIT COMPLIANCE AND FINANCIAL AUDITS

Audit Stage	Procedures Performed
<p>Planning and Inquiry</p>	<p>During the planning phase of the audit, we plan to perform the following procedures:</p> <ul style="list-style-type: none"> ✓ Submit a pre-audit work program to HCAOG’s Transit project manager, outlining the work plan for the required Agency Audits and Claimant Audits. ✓ Meet with claimant finance personnel to obtain an understanding of significant transactions during the year. ✓ Coordinate with claimant agencies to schedule audits. ✓ Perform a risk assessment to develop the audit plan for the year. ✓ Develop the compliance testing plan based on the type of funding received during the audit period. ✓ Conduct fraud inquiries.
<p>TDA Auditing Procedures</p>	<p>As part of our compliance testing, we understand the audit should be conducted in accordance with the TDA Act Sections 6666 or 6667, whichever is appropriate.</p> <ul style="list-style-type: none"> ✓ We will determine whether the funds received by the claimant were expended in conformance with the Act ✓ We will determine whether to funds were expended in conformance with the applicable rules, regulations, and procedures of the transportation planning agency ✓ We will determine whether interest earned was expended only for allowable purposes ✓ For Transit Claimants, we will also: <ul style="list-style-type: none"> ○ We will determine whether the claimant was eligible to receive funds allocated ○ We will determine whether claimant is using enterprise fund accounting ○ We will verify the claimant’s operating costs and fare revenue ratios ○ We will verify the amount of the claimant’s actual fare revenues ○ We will verify the amount of the claimant’s actual local support ○ We will verify the maximum amount the claimant was eligible to receive ○ We will verify the amount of the expenditure limitation ○ We will determine if the retirement plan is in conformance with the PUC ○ We will determine compliance with Section 1808.1 of the Vehicle Code ○ We will determine STA eligibility ○ We will determine compliance with PUC Sections 99155, as applicable <p>Each year we will review the TDA regulations to determine if any changes have been made and revise our audit procedures accordingly.</p>
<p>Financial Statement Year-End Testing</p>	<p>After the books are closed and ready for audit, we will perform our year-end procedures which include the following:</p> <ul style="list-style-type: none"> ✓ We will confirm 100% of all cash and investment balances. ✓ We will test for proper cutoffs of due from other governments. ✓ We will test current liabilities and perform a search for unrecorded liabilities. ✓ We will review unearned revenue balances for proper cutoffs. ✓ Testing of restrictions and classifications of net position. ✓ Perform testing of cash disbursements to determine adherence to laws and regulations (as noted above) ✓ Perform testing of payroll disbursements to determine adherence to laws and regulations. ✓ Perform additional compliance testing, as applicable, related to the specific state funding (as noted above) ✓ Perform analytical testing of sales tax funds and other government funding. ✓ Analyze state revenues and expenses to ensure proper matching within the fiscal year. ✓ Test the reasonableness of interest income, realized, and unrealized gains/losses on investments. ✓ Analytically and substantively test revenues and expenses reported in the financial statements. <p>The aforementioned tests are only a few of the tests performed during the examination and by no means is it meant to be all inclusive. Throughout the audit we will have progress meetings with agency staff to review our audit findings and any adjusting journal entries.</p>

Audit Stage	Procedures Performed
Completion of the Audit and Preparation of Financial Statements	<p>The nature and extent of the work required is dependent on our assessment of the likelihood of misstatements in the financial statements together with our conclusions from the planning and testing stages of the audit. All of the audit information is then used to reach a conclusion on whether the financial statements taken as a whole conform with generally accepted accounting principles.</p> <ul style="list-style-type: none"> ✓ We will review significant events after year end. ✓ We will meet with HCAOG Committees and/or the Board of Directors to present the audit results. This will include a summary report on the compliance of each claimant. ✓ We will include a Report on Internal Control over Financial Reporting within each claimant audited Financial Statements. ✓ Electronically provide reporting data to the appropriate federal, state, and other agencies.

FINANCIAL STATEMENT AUDITS FOR LARGER ENTITIES

Audit Stage	Procedures Performed
Planning	<p>During the planning phase of the financial statement audits for the larger entities (HCAOG and HTA), we plan to perform the following procedures:</p> <ul style="list-style-type: none"> ✓ Meet with finance personnel from each agency to obtain an understanding of significant transactions during the year. ✓ Perform internal control evaluations ✓ Determine materiality levels that will be used in selecting audit transactions. ✓ Perform a risk assessment to develop the audit plan for the year. ✓ Review minutes of the Board meetings. ✓ Review important new contracts, bond documents, and agreements. ✓ Evaluate compliance with investments. ✓ Test purchase orders and contract management. ✓ Test a sample of cash disbursements to determine adherence to policies and internal controls, laws, and regulations. ✓ Perform a review of each agency's information systems and controls. ✓ Perform initial compliance testing of federal grants.
Year-End Testing	<p>After the books are closed and ready for audit, we will perform our year-end procedures for each agency which include the following:</p> <ul style="list-style-type: none"> ✓ We will confirm 100% of all cash and investment balances and test market values provided by each of the Small Operator's investment custodians. ✓ We will test for proper cutoffs of due from other governments and other receivables. ✓ We will confirm and test material notes and loans receivable, if any. ✓ We will test additions and deletions to capital assets. We will review depreciation expense for reasonableness. ✓ We will test current liabilities and perform a search for unrecorded liabilities. ✓ We will review unearned revenue balances for proper cutoffs. ✓ We will test the balances of accrued payroll and employee related liabilities. ✓ We will confirm long-term debt with independent parties. ✓ We will perform tests of debt compliance with covenants and other restrictions. ✓ We will test pension and other post employment benefit liabilities, as applicable (GASB 68 & 75) ✓ Perform analytical testing of sales tax funds and other government funding. ✓ Perform state compliance testing similar to the procedures noted on the previous page. ✓ Analyze grant revenues and expenses to ensure proper matching within the fiscal year. ✓ Test the reasonableness of interest income, realized, and unrealized gains/losses on investments. ✓ Analytically and substantively test revenues and expenses reported in the financial statements. ✓ We will incorporate an element of unpredictability every year that will focus on an audit area that is not typically considered a high or significant risk area such as credit card purchases, new vendors, travel expenses, payroll withholdings, etc.

Audit Stage	Procedures Performed
	<p>The aforementioned tests are only a few of the tests performed during the examination and by no means is it meant to be all inclusive. Throughout the audit we will have progress meetings with the Finance staff of each Small Operator to review our audit findings and any adjusting journal entries. We will meet with the internal auditor as necessary to communicate audit findings.</p>
<p>Federal Single Audit</p>	<p>We will perform the following procedures in accordance with the Uniform Guidance:</p> <ul style="list-style-type: none"> ✓ Perform an evaluation of the major programs required to be tested. ✓ Review OMB guidance and the OMB Compliance Supplement for the grant program audited. ✓ Review internal controls for each of the applicable 14 compliance areas for each program audited. ✓ Using AICPA sampling guidance, we will select a sample for each of the applicable 14 compliance areas for each program audited. We will test the sample for compliance with those 14 areas. ✓ Test the indirect cost rate. ✓ Issue a single audit report of federal expenditures and file the data collection form.
<p>Completion of the Audit and Preparation of Financial Statements</p>	<p>The nature and extent of the work required is dependent on our assessment of the likelihood of misstatements in the financial statements together with our conclusions from the planning and testing stages of the audit. All of the audit information is then used to reach a conclusion on whether the financial statements taken as a whole conform with generally accepted accounting principles.</p> <ul style="list-style-type: none"> ✓ We will review significant events after year end. ✓ We will review attorney letters for significant legal matters. ✓ We will assist with the preparation of each agencies Financial Statements and if necessary, Single Audit. ✓ We will meet HCAOG Committee’s and the Board of Directors to present the audit results.

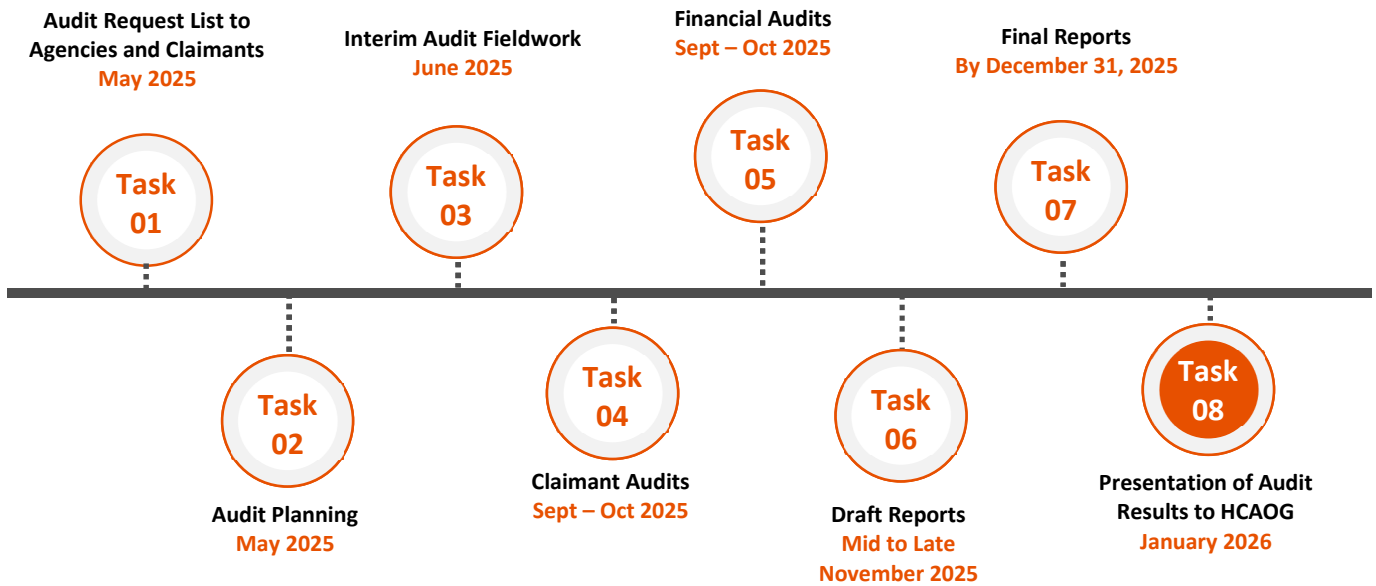
Section F – Scope of Work

Our understanding of the objectives and scope of the work for the Fiscal and Compliance Audits is as follows:

Deliverable	Procedures Performed
Agency Audits	Financial Statement audits in accordance with Generally Accepted Accounting Principles, Government Auditing Standards for the following funds or agencies: <ul style="list-style-type: none"> • City of Arcata – Transit Funds • City of Blue Lake – Transit Funds • City of Eureka – Transit Funds • City of Ferndale – Transit Funds • City of Fortuna – Transit Funds • City of Rio Dell – Transit Funds • City of Trinidad – Transit Funds • County of Humboldt – Transit Funds • Humboldt Transit Authority • Humboldt County Association of Governments
Claimant Audits	We will audit the following fund types for the Claimants listed above: <ul style="list-style-type: none"> • Local Transportation Fund • State Transit Assistance Fund • State of Good Repair • Low Carbon Transit Operations Program • Regional Service Transportation Program • Coronavirus Response and Relief Supplemental Appropriations Act • Service Authority for Freeway Emergencies
State Controller’s Report	We will prepare the California State Controller’s Office Annual Report of Financial Transactions for HCAOG.
Single Audit	In years when HTA has more than \$1,000,000 of federal expenditures, we will perform a Single Audit in accordance with the Uniform Guidance and file the single audit with the Data Collection Federal Clearinghouse.
Internal Control Letter	We will prepare a letter to the Board of Directors reporting matters dealing with internal control that meet the threshold of being a significant deficiency or material weakness, as defined by the Codification of Auditing Standards for each of the Agencies noted above.
Presentation of Audit Results	We will meet with HCAOG Committees and/or and the Board of Directors to present the results of the audit, as requested.
General Consultation	Finally, we perceive the scope of our work as being advisors to HCAOG regarding generally accepted accounting principles. Throughout the year, the management and other finance personnel of HCAOG will have access to us to seek advice in the application of generally accepted accounting principles, advice regarding compliance interpretations, financial statement presentation, new accounting standards, and other matters.

Section G – Work Plan and Schedule

The following proposed timing is subject to HCAOG’s revision and approval below.



The following is our estimate of the hours by professional classification required to perform the audits:

Classification	Hours	Percentage
<i>Partner</i>	60	8%
<i>Managers</i>	100	13%
<i>Audit Supervisors</i>	300	39%
<i>Senior/Staff Auditors</i>	315	40%
Total	775	100%

Section H – Other Proposal Requirements

Equal Employment Opportunity

Our policy is included on the following page.

Regarding the use of DBEs, our firm qualifies as a small business DBE in the State of California.

Exceptions, Objections and Requested Changes

We do not have any exceptions to the terms and conditions of the RFP and the sample Consultant Services Agreement.

Workplace Policies & Practices

Workforce Diversity

At Davis Farr LLP, we recognize that diversity is not just a short-term trend, but a journey. Diversity at Davis Farr is our commitment to creating an environment that welcomes, values, respects, leverages and develops our individual differences and similarities.

Equal Employment Opportunity

Davis Farr is an equal opportunity employer and does not discriminate in hiring or employment in accordance with the requirements of all applicable state and federal laws, including race, color, religion, national origin, ancestry, age, gender, marital status, military status, sexual orientation, disability, or medical condition. Such action shall include, but not be limited to: employment, promotion, demotion, transfer, recruitment or recruitment advertising, separation, rates of pay or other forms of compensation and training. Any employee who feels that he or she has not been provided equal employment opportunity should report such a situation to one of the Partners or to the Human Resources Representative without fear of reprisal. An investigation will be conducted and appropriate action will be taken, if necessary, to ensure that equal employment opportunity exists.

Section I – Fees

The following are our fixed fees for the three years ending June 30, 2025, 2026, and 2027.

Audit Services	2025	2026	2027
City of Arcata	\$13,000	\$13,390	\$13,790
City of Blue Lake	\$ 3,000	\$ 3,090	\$ 3,180
City of Ferndale	\$ 3,000	\$ 3,090	\$ 3,180
City of Fortuna	\$13,000	\$13,390	\$13,790
City of Rio Dell	\$ 3,000	\$ 3,090	\$ 3,180
City of Trinidad	\$ 3,000	\$ 3,090	\$ 3,180
County of Humboldt	\$ 3,000	\$ 3,090	\$ 3,180
Humboldt Transit Authority	\$20,000	\$20,600	\$21,220
Single Audit (one major program)	\$ 3,000	\$ 3,090	\$ 3,180
Humboldt County Association of Govts	\$24,000	\$24,720	\$25,460
State Controller’s Report	\$ 2,000	\$ 2,060	\$ 2,120
Total	\$93,000	\$95,790	\$98,640

APPENDIX





Report on the Firm's System of Quality Control

Davis Farr LLP

and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Davis Farr LLP (the firm) in effect for the year ended May 31, 2022. 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 on 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 and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act; and examination of a service organization (SOC 1 engagement).

As 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.

CPAs ■ Advisors

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 gyl@gylcpa.com
 www.gylcpa.com

CPAmerica
Member  Crowe Global

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Davis Farr LLP in effect for the year ended May 31, 2022, 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*. Davis Farr LLP has received a peer review rating of *pass*.

GYL LLP

Ontario, California
August 8, 2022

RESUMES





Jennifer Farr, CPA, MBA

Partner

Ms. Farr will serve as the Partner on this audit. She will oversee the project to ensure all required deadlines are met, provide technical assistance to the audit teams, review audit reports and workpapers, and meet with those in governance to present the audit results. Ms. Farr is a Certified Public Accountant with over 20 years of experience in local government auditing. Ms. Farr is a frequent speaker and author on matters pertaining to technical accounting and audit issues including new GASB pronouncements.

Employment History

- Davis Farr LLP – Founding Partner
- Shareholder – National CPA Firm

Education

- Bachelor of Arts - Business Administration / Accounting (California State University, Fullerton)
- Bachelor of Arts - English (California State University, Fullerton)
- Master of Business Administration

Licenses / Registrations

- California CPA Certificate No. 76292, October 1998

Professional Affiliations & Awards

- California Society of Certified Public Accountants
- Government Accounting & Auditing Committee
 - Member and past Chair of Committee
- California Society of Municipal Finance Officers
- American Institute of Certified Public Accountants
- Government Finance Officers Association
 - Financial Review Committee

AUDITS OF SPECIAL DISTRICTS AND SPECIAL PURPOSE GOVERNMENTS

- | | |
|---|--|
| ✓ Coachella Valley Assoc of Governments | ✓ Rancho California Water District |
| ✓ Cucamonga Valley Water District | ✓ Salton Sea Authority |
| ✓ Eastern Municipal Water District | ✓ San Diego Association of Governments |
| ✓ Inland Empire Utilities Agency | ✓ San Diego County Water Authority |
| ✓ Irvine Ranch Water District | ✓ Santa Rosa Regional Resources Auth |
| ✓ Leucadia Wastewater District | ✓ South Coast Water District |
| ✓ Los Angeles Homeless Services Authority | ✓ Southern CA Association of |
| ✓ Mesa Water District | ✓ Sweetwater Authority |
| ✓ Middle Fork Financing Authority | ✓ Vallecitos Water District |
| ✓ Moulton Niguel Water District | ✓ Vista Irrigation District |
| ✓ Orange County Sanitation District | ✓ Walnut Valley Water District |
| ✓ Orange County Water District | ✓ West Basin Municipal Water District |
| ✓ Placer County Water Agency | ✓ Yucaipa Valley Water District |



Marc Davis, CPA

Quality Control Partner

Marc Davis will serve as the Quality Control Partner on the engagement. He has over 38 years of experience in government auditing, accounting and consulting. Mr. Davis will provide technical assistance to the audit team and review the final reports before they are released. He has considerable experience with financial statement and financial/compliance audits of governmental agencies. He has spoken at the Association of Government Accountants (AGA) annual conference as part of a panel discussion on the usefulness of service organization control audits.

Employment History

- Davis Farr LLP – Founding Partner
- Partner – National CPA Firm

Education

- Bachelor of Arts - Business Administration / Accounting (California State University, Fullerton)

Licenses / Registrations

- California CPA Certificate No. 46491

Professional Affiliations & Awards

- American Institute of Certified Public Accountants
- California Society of Certified Public Accountants
- California Society of Municipal Finance Officers
- Association of Government Accountants

AUDITS OF CALIFORNIA CITIES

- | | |
|----------------------|-------------------------|
| ✓ City of Avalon | ✓ City of Garden Grove |
| ✓ City of Azusa | ✓ City of Los Alamitos |
| ✓ City of Beaumont | ✓ City of Mission Viejo |
| ✓ City of Buena Park | ✓ City of Newport Beach |
| ✓ City of Costa Mesa | ✓ City of Rialto |
| ✓ City of Downey | ✓ City of San Gabriel |
| ✓ City of El Segundo | ✓ City of Stanton |
| ✓ City of Escondido | ✓ City of Westminster |

AUDITS OF SPECIAL DISTRICTS AND HOUSING AUTHORITIES

- | | |
|---|---|
| ✓ Antelope Valley Transit Authority | ✓ Southern California Regional Rail Authority |
| ✓ Beach Cities Health District | ✓ SunLine Transit Agency |
| ✓ Housing Authority of the City of Fresno | ✓ Tahoe Regional Planning Agency |
| ✓ Housing Authority of Fresno County | ✓ Tahoe Transportation District |
| ✓ Los Angeles Homeless Services Authority | ✓ Ventura County Transportation Commission |
| ✓ Orange County Transportation Authority | ✓ Ventura Housing Authority |
| ✓ Omnitrans | ✓ Washington Economic Development Finance Authority |
| ✓ Oxnard Housing Authority | |



Shannon Ayala, CPA

Partner

Ms. Ayala will serve as the Partner on this audit. She will oversee the project to ensure all required deadlines are met, provide technical assistance to the audit teams, and review the final reports before they are released. Ms. Ayala is a Certified Public Accountant with over twenty years of audit experience, spending most of that time on audits for local governments in San Diego County. Ms. Ayala has performed financial statement audits of cities and special districts; grant specific audits of funds awarded by Federal, state, and county governments; Single Audits in accordance with Uniform Guidance, and compliance audits.

Employment History

- Davis Farr LLP – Since 2015
- National CPA Firm – 10 years
- Lennar Homes – 2 years

Education

- Bachelor of Science - Accounting (San Diego State University)

Licenses / Registrations

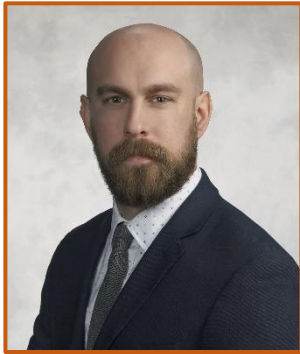
- California CPA Certificate No. 88126

Professional Affiliations & Awards

- American Institute of Certified Public Accountants
- California Society of Certified Public Accountants
- California Society of Municipal Finance Officers

AUDITS OF GOVERNMENTAL AGENCIES

- | | |
|--|--|
| ✓ City of Carlsbad | ✓ Marin LAFCO |
| ✓ City of Coronado | ✓ North County Dispatch JPA |
| ✓ City of Del Mar | ✓ Otay Water District |
| ✓ City of Encinitas | ✓ Ramona Water District |
| ✓ City of Poway | ✓ Rancho California Water District |
| ✓ City of Solana Beach | ✓ San Diego County Water Authority |
| ✓ City of Santee | ✓ San Diego Association of Governments |
| ✓ City of Vista | ✓ Santa Barbara LAFCO |
| ✓ Coachella Valley Association of Gov't | ✓ Santa Cruz LAFCO |
| ✓ Coachella Valley Conservation Commission | ✓ Santa Fe Irrigation District |
| ✓ Desert Community Energy | ✓ Valley Center Municipal Water District |
| ✓ Imperial County LAFCO | ✓ Vista Irrigation District |



Kyle Haas, CISA, CFE

Senior Manager

Mr. Haas will serve as the manager on this engagement. He will be the main point of contact for the staff and in-charge. He will be responsible for reviewing the work and supervising staff. Mr. Haas has twelve years of audit experience, spending the majority of that time on audits for federal and special purpose governments. The types of audits with which Mr. Haas has been involved in include: grant specific audits of funds awarded by Federal, state, and county governments; Federal compliance audits; and audits of healthcare organizations.

Employment History

- Davis Farr LLP – Since 2012

Education

- Bachelor of Science in Business Administration
(California State University, Fullerton)

AUDITS OF FEDERAL GOVERNMENTS

- ✓ Centers for Medicare and Medicaid Services
- ✓ CGS Administrators, LLC – SOC 1 Type 2 Examination
- ✓ Managed Care Organizations
- ✓ National Science Foundation
- ✓ Special Inspector General for Afghanistan Reconstruction
- ✓ United States Department of Agriculture
- ✓ United States Department of Veterans Affairs

AUDITS OF SPECIAL PURPOSE GOVERNMENTS AND OTHER CLIENTS

- ✓ Calance
- ✓ CalSAWS Consortium
- ✓ Cox Automotive
- ✓ San Diego Association of Governments
- ✓ Southern California Regional Rail Authority



Joyce Vondee Amankwah, CPA

Manager

Ms. Amankwah will serve as the manager of this engagement. She has been conducting financial statement audits, reviews, agreed-upon procedures, and compilations for over six years. Her engagements include nonprofits, and governmental entities such as cities, counties, special districts, and state agencies. She has performed financial and compliance audits of federal awards in accordance with Uniform Guidance, and her single audit experience includes programs from the Department of Health and Human Services, Department of Children and Family Services, Department of Housing and Urban Development, and a variety of other agencies.

Employment History

- Davis Farr LLP – Since December 2024
- Citrin Cooperman LLP, Maryland – 2022 - 2024
- Eide Bailly LLP – 2019 -2022
- Green Hasson Janks– 2017 -2018

Education

- Bachelor of Science in Accountancy & Finance (California State University, Northridge)

Licenses / Registrations

- California Certified Public Accountant (CPA) (License Number: 148989)

Professional Affiliations & Awards

- American Institute of Certified Public Accountants
- California Society of Certified Public Accountants

AUDITS OF GOVERNMENTAL AGENCIES

- | | |
|--------------------------------|---------------------------------------|
| ✓ City of Rancho Mirage, CA | ✓ First 5 California, Los Angeles, CA |
| ✓ City of Withier, CA | ✓ First 5 California, Riverside, CA |
| ✓ City of Walnut, CA | ✓ Riverside County, CA |
| ✓ City of Jurupa Valley, CA | ✓ Temple City, CA |
| ✓ City of Paramount, CA | ✓ Omnitrans, CA |
| ✓ County of San Bernardino, CA | ✓ Ventura Council of Governments, CA |
| ✓ County of Ventura, CA | ✓ North County Transit District, CA |
| ✓ County of San Bernardino, CA | ✓ County of San Bernardino, CA |

AUDITS OF NON-PROFITS

- | | |
|---|---|
| ✓ Therapeutic Living Centers for the Blind, CA | ✓ Boys and Girls Club of Laguna Beach, CA |
| ✓ Norton Simon Museum, CA | ✓ Visit Huntington Beach, CA |
| ✓ Community Action Partnership of SB County, CA | ✓ Irvine Adult Day Health Services Inc., CA |
| ✓ Baker Institute of Children with Hearing Loss, CA | ✓ Ayn Rand Institute |



Makaylyn Tallman

Supervisor

Ms. Tallman will serve as the in-charge on this engagement. She will be the main point of contact for the staff. She will be responsible for performing the work and supervising staff. Ms. Tallman has over three years of audit experience, spending the majority of that time on audits for non-profits, and federal and local government engagements. The types of audits Ms. Tallman has been involved in include: financial audits of non-profits, cities and special districts; grant specific audits of funds awarded by Federal, state, and county governments; Single Audits in accordance with OMB Circular A-133; and Federal compliance audits.

Employment History

- Davis Farr LLP: July 2018-present

Education

- Bachelor of Science in Accounting
University of Nevada, Reno

AUDITS OF LOCAL & FEDERAL GOVERNMENTS

- | | |
|----------------------|---|
| ✓ City of Carlsbad | ✓ City of Solana Beach |
| ✓ City of Dana Point | ✓ City of Vista |
| ✓ City of Delano | ✓ Centers for Medicare and Medicaid Services |
| ✓ City of Encinitas | ✓ Coachella Valley Association of Governments |
| ✓ City of Poway | ✓ County of San Diego |
| ✓ City of Santee | |

AUDITS OF SPECIAL DISTRICTS

- | | |
|------------------------------------|---|
| ✓ Eastern Municipal Water District | ✓ San Diego Association of Governments |
| ✓ Imperial County LAFCO | ✓ San Diego County Water Authority |
| ✓ Marin LAFCO | ✓ San Diego Geographic Information Source |
| ✓ Otay Water District | ✓ San Dieguito River Park Valley JPA |
| ✓ Placer County Water Agency | ✓ Santa Rosa Regional Resources Authority |
| ✓ Rancho California Water District | ✓ Tahoe Regional Planning Agency |
| ✓ Salton Sea Authority | ✓ Tahoe-Truckee Sanitation Agency |

AUDITS OF NON-PROFITS & OTHER

- | | |
|---|------------------|
| ✓ Balboa Art Conservation Center | ✓ CGS – SOC |
| ✓ Family YMCA of the Desert | ✓ Palmetto - SOC |
| ✓ San Diego Children’s Discovery Museum | |



Jameson Davis

Senior Auditor

Mr. Davis will serve as the in-charge on this engagement. He will be the main point of contact for the staff. He will be responsible for supervising the staff. Mr. Davis has six years of audit experience in public accounting. Mr. Davis has spent time on audits for federal and local government engagements. The types of audits Mr. Davis has been involved in include: financial audits of cities and special districts; grant specific audits of funds awarded by Federal, state, and county governments; and Federal compliance audits. Before joining Davis Farr, Mr. Davis attended Chapman University.

Employment History

- Davis Farr LLP – 2017 - Present

Education

- Bachelor of Science in Accounting
(Chapman University, Orange)

Licenses

- None

AUDITS OF FEDERAL GOVERNMENT

- ✓ Center for Medicare & Medicaid Services
- ✓ Palmetto Government Benefits Administrators
- ✓ Special Inspector General for Afghanistan Reconstruction
- ✓ United States Department of Agriculture

AUDITS OF LOCAL GOVERNMENTS

- ✓ City of Oxnard Housing Authority
- ✓ Area Housing Authority of the County of Ventura

AUDITS OF SPECIAL DISTRICTS

- ✓ Ventura Regional Sanitation District
- ✓ Saticoy Sanitary District
- ✓ Ventura County Regional Energy Alliance
- ✓ Valley Center Municipal Water District

AUDITS OF OTHER ORGANIZATIONS

- ✓ City of Anaheim Short Term Rental Program
- ✓ County of Los Angeles
- ✓ Hass Avocado Board
- ✓ Irvine Ranch Water District
- ✓ CalSAWS Consortium
- ✓ Cox Automotive, Inc. DMS
- ✓ State of Colorado Governor's Office of Information Technology



Laura Ortiz Monragna

Audit Supervisor

Ms. Ortiz Monragna will serve as the senior on this engagement. She will be responsible for performing the work and supervising staff. Ms. Ortiz Monragna has three years of audit experience, spending most of that time on audits for federal and local government engagements. The types of audits Ms. Ortiz Monragna has been involved in include financial audits of cities, non-profits, and special districts; grant specific audits of funds awarded by Federal, state, and county governments; Single Audits in accordance with OMB Circular A-133; System and Organization Control Examinations; and Federal compliance audits.

Employment History

- Davis Farr LLP – 2021 – Present

Education

- Bachelor of Science in Accountancy
(California State University, Long Beach)

AUDITS OF LOCAL GOVERNMENTS AND SPECIAL DISTRICTS

- | | |
|-------------------------------------|----------------------------------|
| ✓ City of South Gate | ✓ City of Tustin |
| ✓ City of Mission Viejo | ✓ City of Aliso Viejo |
| ✓ City of Garden Grove | ✓ City of Rancho Santa Margarita |
| ✓ City of Fountain Valley | ✓ City of Huntington Beach |
| ✓ Orange County Sanitation District | |

AUDITS OF NON-PROFITS

- | | |
|--|-----------------------------------|
| ✓ Kidsworks | ✓ Visit Huntington Beach |
| ✓ American College of Trial Lawyers | ✓ Berkeley Hall School Foundation |
| ✓ Beverly Hills Chamber of Commerce | ✓ Orange County Bar Association |
| ✓ Beverly Hills Conference and Visitors Bureau | ✓ Project Tomorrow |

AUDITS OF FEDERAL GOVERNMENT AND OTHER

- | | |
|--|--|
| ✓ Centers for Medicare and Medicaid Services | ✓ Special Inspector General for Afghanistan Reconstruction |
| ✓ CGS - SOC | |



DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS