

Attachment 2



**Proposal for
Professional TDA, SGR, Proposition 1B and LCTOP Financial and
Compliance Auditing Services**

February 07, 2024

PREPARED BY:



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Contact Person:

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Partner

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February 07, 2024

Ms. Thoa Le
Accounting Manager
Ventura County Transportation Commission
751 E. Daily Drive, Suite 420
Camarillo, CA 93010

Re: Request for Proposal – Professional TDA, SGR, Proposition 1B, and LCTOP Financial and Compliance Auditing Services

Dear Ms. Le:

ASM LLP (ASM) is pleased to respond to the Ventura County Transportation Commission (VCTC) Request for Proposal (RFP) for Professional **TDA, SGR, Proposition 1B, and LCTOP Financial and Compliance Auditing Services** to provide audit and attestation services for the Fiscal Years ending June 30, 2024 through 2026, plus two one-year options for 2027 and 2028. ASM would be the best firm to perform the required services for the following reasons.

- **Our Partners have successfully performed these audit services on behalf of VCTC in the last 10 years.** Additionally, one of the partners at ASM, who is also a Partner at Conrad, is currently performing TDA audits and Measure A agreed-upon-procedures for the Riverside County Transportation Commission and TDA, and Measure I audits for San Bernardino County Transportation Authority.
- Our Partners have a long history of providing high quality audit and accounting services to governmental agencies.
- We understand the scope of the work to be performed, and we have the ability to deliver these services within the time frame required.

We believe that our fee estimate will provide VCTC with a fair and reasonable cost to perform the requested compliance services. **This proposal shall remain firm for 180 days.** The quote has been signed by Andrea Jayasekara, Managing Partner of ASM LLP, who is authorized to negotiate and make representations for and to bind on ASM LLP's behalf with VCTC.

We look forward to hearing from you so that we may discuss any questions you may have. You may contact Andrea Jayasekara at (949) 614-0626, extension 5, or by email at ajayasekara@asmllp.com.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Andrea Jayasekara', with a horizontal line underneath.

Andrea Jayasekara, CPA, ACMA, MBA
Partner

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Title Page

ASM LLP (ASM) is pleased to respond to the Ventura County Transportation Commission (VCTC) Request for Proposal (RFP) for Professional TDA Financial and Compliance Auditing Services to provide audit and attestation services for the Fiscal Years ending June 30, 2024 through 2026 plus two one-year options for 2027 and 2028.

Request for proposal's subject: **Professional TDA, SGR, Proposition 1B and LCTOP Financial and Compliance Auditing Services**

Auditing firm's name: **ASM LLP**

Contact person: **Andrea Jayasekara**

Address: **22431 Antonio Pkwy, B160-658, Rancho Santa Margarita, CA 92688**

Telephone number: **(949) 614-0626, Ext 5**

Date of the proposal: **February 07, 2024**

ASM is committed to performing the work within the time period specified. Timelines for the 1st year are below, which will be similar in the subsequent years as well.

| <u>Milestone</u> | <u>Estimated Date</u> |
|---|------------------------------------|
| Planning meeting with VCTC | August 2024 |
| Schedule fieldwork and send out notifications to auditees | August 2024 |
| Planning | September 2024 |
| Fieldwork | October/November 2024 |
| Report finalization | October/November/ December 2024 |

This proposal is a firm and irrevocable offer that shall remain firm for 180 days.



Andrea Jayasekara, CPA, ACMA, MBA
Partner

Introduction

ASM LLP was formed in 2023. ASM headquarters in Rancho Santa Margarita, California. ASM is headed by two partners, both with over 23+ years of experience in public accounting, specializing in Federal, State, and Local government auditing and other attestation engagements. The partners at ASM are currently also a Partner and a Senior Manager at Conrad LLP. Conrad was formed in 2011 as a Limited Liability Partnership. Conrad focuses on auditing, consulting, and accounting for government clients. The firm is a certified small business with 31 staff members working on government audits and has grown significantly over the years. ASM was formed with the intention to create as a sibling branch of Conrad to mainly focus and specialize in State and Local Government auditing, consulting, and accounting services. **Both ASM and Conrad will share the pool of staff originally and currently employed by Conrad to assist in performing audit and attestation services.**

Prior to Conrad, both partners at ASM were also employed by **Conrad and Associates, LLP**, a 35-year-old CPA firm, and **Mayer Hoffman McCann PC's Irvine Office** which has been locally and nationally recognized for its expertise in governmental accounting and auditing.

Ms. Andrea Jayasekara, CPA, **Managing Partner**, has over 23 years in public accounting and 17 years of governmental auditing, accounting, and consulting experience. During the past 17 years Andrea has performed, managed, and subsequently the engagement partner on the Transportation Development Act (TDA) audits for the Ventura County Transportation Authority (VCTC), TDA audits and Measure I audits on behalf of Riverside County Transportation Commission (RCTC) and TDA audits and Measure A AUPs on behalf of San Bernardino County Transportation Authority (SBCTA). Andrea's experience includes serving as Engagement Partner on various financial and compliance audits for various clients including Los Angeles County Employees Retirements Association (LACERA), United States Coast Guard Alaska, base Kodiak, and a non-profit organization named H&H Lee Charitable Foundation. Additionally, she has performed pricing reviews for SCRRA and SBCTA, indirect cost audits for A/E firms, agreed-upon procedures (AUP) performed on behalf of San Bernardino County Transportation Authority. Andrea has strong internal control audit experience through the performance of SSAE 18 Services Organization Control (formerly known as SSAE 16/SAS 70) audit of the internal controls of service organizations.

Joe Chen, Junior Partner, has 23 plus years of GAGAS audit experience with numerous federal government agencies. He has more than a decade of experience in federal cost and compliance audits including Financial Costs Incurred Audits for SIGAR and USAID OIG. He also has extensive IT and internal control audit experience with SOC I, Type II examinations in accordance with SAS 70/SSAE 16/SSAE 18/SSAE 21 standards for Centers for Medicare and Medicaid Services and its fiscal intermediaries as well as USDA. He has managing experience in federal audits including CMS's MADP examinations and program compliance audits and MCO audits on numerous Health Plans, Financial and Compliance Audits for Corporation of National and Community Service on the AmeriCorps, Federal Administrative Cost Proposal (FACP audits), and other internal control and compliances audits. Mr. Chen has extensive knowledge of GAGAS, GAAS, GAAP, SSAE, OMB, FAR, and CFR.

The partners at ASM, while employed at Conrad, have assisted in developing quality control standards and procedures that have been subjected to AICPA standards of review. We believe it is important for you to know that with the help of the partners at ASM, while they were working at Conrad, Conrad received an unqualified opinion on the quality control of our accounting and audit practice for their most recent peer review. This means that when VCTC selects our firm to perform services, you will know that our firm has agreed to comply with the strict membership requirements of the Section to which we belong and has agreed to have our compliance with those requirements reviewed by others. Thus, there is a greater assurance that our personnel are adequately trained and up-to-date on professional development. Accordingly, membership in this Division provides additional assurance that our firm will comply with professional accounting and auditing standards.

ASM has developed the same quality control measures and high professional standards of the AICPA, and the California State Board of Accountancy which we adopted from while working at Conrad.

ASM's Partners and Staff have been providing audit services to federal, local, and state governments for decades. Our firm is currently applying for a General Services Administration (GSA) contract and that specializes in governmental audit and accounting. Given the experiences our partners have, we have become experts at providing peace of mind to clients who rely on us for our technical knowledge and quality customer service.

The Partners and Staffs have conducted Performance, Financial, Compliance, Internal Control, and Information Technology related audits on behalf of the following agencies:

- Riverside County Transportation Commission (RCTC)
- Ventura County Transportation Commission (VCTC)
- San Bernardino County Transportation Authority (SBCTA)
- San Diego Association of Governments (SANDAG)
- Orange County Transportation Authority (OCTA)
- United States Department of Transportation
- County of Maui
- Ominitrans
- Alameda Corridor Transportation Commission (ACTC)
- Los Angeles County Metropolitan Transportation Authority (LACMTA)
- California Public Employees' Retirement System (CalPERS)
- California State Teachers' Retirement Systems (CalSTRS)
- City of Los Angeles
- County of Los Angeles
- National Science Foundation (NSF)
- United States Coast Guard Alaska
- Corporation for National Community Service (CNCS)
- Department of Defense

- Department of Housing and Development
- Los Angeles County Employees Retirements Association (LACERA)
- State of California
- United States Department of Health and Human Services
- United States Department of Agriculture (USDA)
- Special Inspector General for Afghanistan Reconstruction (SIGAR)
- Centers for Medicare & Medicaid Services (CMS)
- United States Department of Justice
- United States Department of Labor
- United States Air Force

Qualifications

The Partners at ASM have successfully performed TDA Articles 3, 4, 8(a), 8(c), Low Carbon Transit Operations Program (LCTOP), State Transit Assistance (STA), State of Good Repair (SGR), and Proposition 1B (Public Transportation, Modernization, Improvement and Service Enhancement Account and California Office of Emergency Service) audits on behalf of VCTC from 2014 through 2023. In addition, our TDA team successfully performed TDA and related audits/agreed-upon engagements for multiple transit agencies, as indicated below:

Ventura County Transportation Commission (VCTC)

The Partners at ASM conducted audits of the TDA, STA, SGR, Proposition 1B, and LCTOP funds for Fiscal Years 2014 through 2019. When the 5-year contract ended and was awarded in 2020, The Partners at ASM, currently working at Conrad, was awarded the contract for another five-year to perform the audit of the TDA, STA, SGR, Proposition 1B, and LCTOP funds.

Riverside County Transportation Commission (RCTC)

The Partners at ASM has been conducting TDA Articles 3, 4 (which included Proposition 1B funds) audits and Measure A agreed-upon procedures (“AUP”) for RCTC from 2016 to 2020 for cities in Eastern Riverside County and the Riverside County. On the expiry of the 5-year contract, 5-year contract was awarded in 2021. The second contract was to perform the audit of TDA Articles 3, 4 (which included STA, SGR, Proposition 1B, and LCTOP funds) audits and Measure A agreed-upon procedures funds for cities in Eastern Riverside County and Measure A and Multiple Species Habitat Conservation Plan AUP for cities in Western Riverside County.

Quechan Indian Tribe

The Partners ASM has been conducting TDA Article 8(c) audits for Quechan Indian Tribe Fiscal Years 2016 and 2017.

San Bernardino County Transportation Authority (SBCTA)

In February 2015, Conrad was selected by SBCTA (formerly known as SANBAG) as on-call auditors to conduct pre-award pricing review. Conrad was awarded two 5-year contracts, one from Fiscal Year 2015 through 2020 and the second from 2020 through 2025. The Partner at ASM, currently working at Conrad, was the Engagement Partner on the 2020 contract. Under the SBCTA

contract, Measure I agreed-upon procedure engagements for SBCTA were performed every two years during this period. As part of that on-call contract Conrad was also awarded the TDA 3 and Article 8, Section 99400(a) and Measure I fund audits in 2023.

San Diego Association of Governments (SANDAG)

The Partners at ASM have completed the TDA Articles 3 audit and agreed-upon procedures engagements related to *TransNet* sales tax revenue from 2010 through 2015.

Orange County Transportation Authority (OCTA)

The Partners at ASM have completed on-call pricing reviews, TDA audits, and agreed-upon procedures engagements relating to the Measure M sales tax revenue from 2007 through 2010.

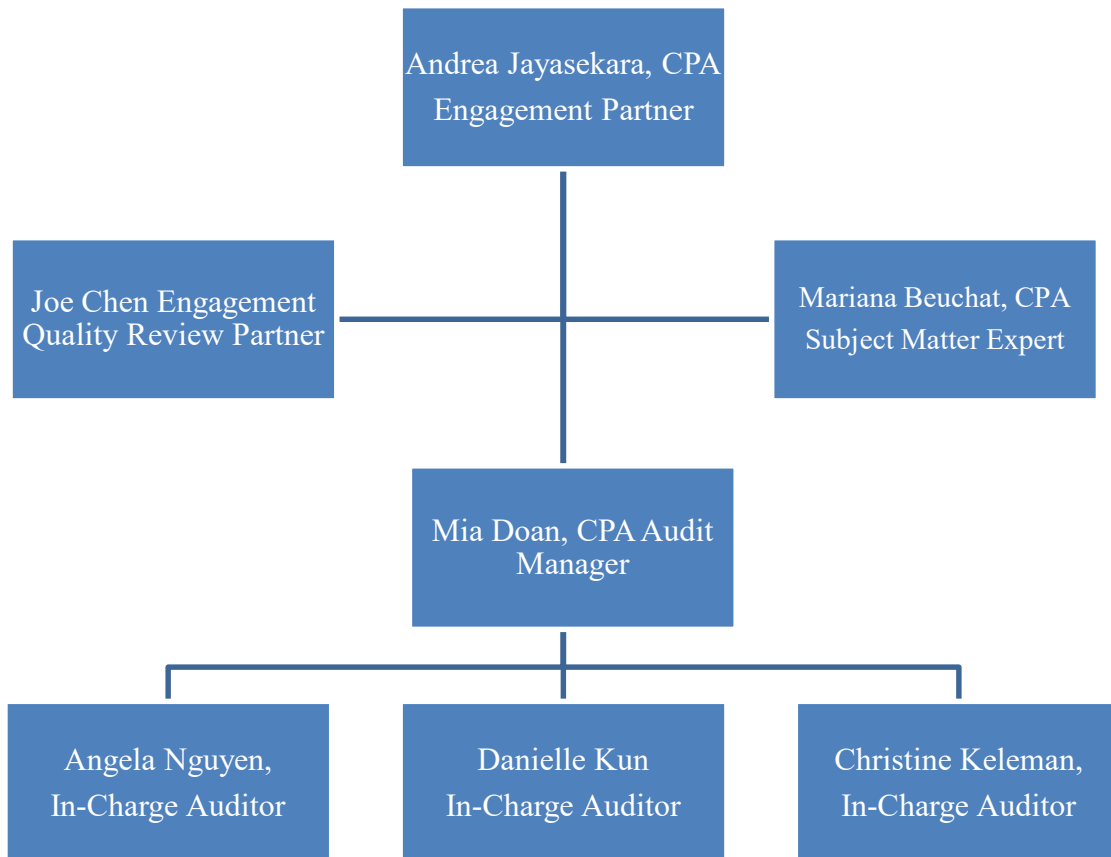
Corporate and Key Personnel

The successful outcome of any audit requires personnel with the managerial and technical skills to perform the work required. We believe that efficient administrative management and supervision of the audits are extremely critical factors in achieving the desired results for VCTC. We have selected the following individuals to work with VCTC based on their experience and dedication to providing superior client service.

Ms. Andrea Jayasekara, CPA, MBA, Partner will be the **Engagement Partner** and has over 17 years of extensive government auditing experience, including serving as Auditor, Audit Manager, and currently serving as the Engagement Partner on the TDA audits performed on behalf of VCTC, RCTC, SBCTA, SANDAG, and OCTA, as well as performing numerous financial compliance audits on behalf of various federal agencies. Additionally, she has strong internal control audit experience through the performance of SSAE 18 audits of the internal controls of service organizations. She will be assisted by **Ms. Mia Doan, CPA, Supervisor with Conrad LLP**, who will serve as **Audit Manager** and **Joe Chen, Senior Manager**, has been proposed as the **Engagement Quality Reviewer**. All In-Charge Auditors assigned to the VCTC TDAs will have prior TDA experience.

Ms. Mariana Beuchat, CPA, Manager with Conrad LLP will be the **Subject Matter Expert (SME)** on the VCTC contract. She has been working on the TDA and associated programs since 2014. Mariana worked with VCTC to create the TDA Claim Manual and the Fare Box Revenue ratio calculation template and associated memo to be distributed to the Claimants to name a few projects she worked on.

Our proposed organizational structure for providing audit services to VCTC is as follows:



Peer Review, Litigation, and Contract History

ASM issued its first audit report on June 26, 2023. Based on AICPA Peer Review Program, the firm is not required to undergo a peer review until October of 2024. As such, we can provide you with the peer review report at the end of the year, on the completion of review. In addition, we would like to emphasize that the Partners at ASM were also the key members in the management team at Conrad and the engagements selected by the peer review were managed by the two partners and we received unqualified opinion of the selected engagements and the peer review report. This will bring more assurance to VCTC that ASM will be very confident in receiving the same results during our peer review.

ASM has not been the subject of any disciplinary action since it was created in 2023, and no such action is pending by state regulatory bodies, professional organizations, or current and/or prior clients.

See Appendix B for note on Peer Review.

Client Assistance

Based on the Partners' prior experience, as needed by VCTC, we will provide clarification on current TDA regulations and if the guidelines are not clear, then we will go the extra mile to reach out to Caltrans to obtain the required clarification. ASM has flexibility to provide this service to VCTC and will assign Andrea Jayasekara, Partner, and Mia Doan, Supervisor, for this purpose who will be available to VCTC and their claimants throughout the year.

When VCTC requires clarification on TDA regulations and changes, as an additional resource we have Mariana Beuchat, CPA Manager who has been working with VCTC for the past 10 years to review relevant guidelines to provide a response.

See Appendix A for resumes of key personnel.

References

Selected references of similar projects completed by the Partners at ASM, who are currently working at Conrad, are as follows:

| Client | Scope of Work |
|---|---|
| Ventura County Transportation Commission Sally DeGeorge, CPA Finance Director 751 E. Daily Drive, Suite 420 Camarillo, CA 93010 (805) 642-1591 Ext. 112 ssellers@goventura.org | TDA Article 3, 4, 8(a), 8(c), Proposition 1B, STA, SGR, and LCTOP audits for Fiscal Years 2014 through 2023. |
| Riverside County Transportation Commission Sergio Vidal, CPA Chief Financial Officer 4080 Lemon St. 3rd Fl., Riverside, CA 92502 (951) 787-7926 svidal@rctc.org | TDA Article 3 and 4 audits and Measure A agreed-upon-procedures for Eastern Riverside County for Fiscal Years 2016 to-date and Measure A and MSHCP agreed-upon-procedures for Western Riverside County for Fiscal Years 2021 to-date. |
| San Bernardino County Transportation Authority (SBCTA) Hilda Flores Chief Financial Officer 1170 W. 3rd Street, 2nd Fl., San Bernardino, CA 92410 (909) 884-8276 Ext. 162 hflores@gosbcta.com | On call pricing review and Measure I agreed-upon-procedures since 2014 through 2023. Measure I, TDA Article 3 and 8a audit audits for 11 cities in San Bernardino County for year FY 2023. |
| Pacific Railway Enterprises, Inc. (PRE) Sharlene Hernandez Controller 3560 University Avenue, Suite F Riverside, CA 92501 (951) 784-4630 Ext. 161 shernandez@pacrail.com | Conrad has been conducting their indirect cost rate audit annually since 2015. In 2023 ASM conducted this audit and issued the final report in June 2023. |

Current Clients

As mentioned previously, the Partners at ASM, while currently providing audit and related services to the following municipal clients.

- Ventura County Transportation Commission (VCTC)
- Riverside County Transportation Commission (RCTC)
- San Bernardino County Transportation Authority (SBCTA)
- Orange County Transportation Authority (OCTA)
- California Public Employees' Retirement System (CalPERS)
- Children and Families Commission of Orange County (CFCOC or First-5 Orange County)
- Southern California Regional Rail Authority (SCRRA)

Audit Methodology

Project Planning Meeting

Once the project is awarded, we will schedule a planning meeting with the VCTC Finance Director. The purpose of this meeting will be to refine the nature, timing, and extent of the work to be performed. Additionally, we will obtain from VCTC all necessary allocation documents for the year to be audited. These documents may include schedules of funds allocated by entity, grant agreements that document the allocation for the year, any amendments or correspondence between the jurisdiction and VCTC, and any instructions or manuals provided to the jurisdictions as to how to account for grant funds and what constitutes an allowable expenditure. We will also use the planning meeting to discuss any concerns that VCTC has with any of the jurisdictions, or any fraud or potential fraud that may have occurred related to the program. Our Engagement Partners and Audit Managers will attend this meeting.

Scheduling the Audits

Immediately upon completion of the planning meeting, we will schedule all audits with each of the jurisdictions. Due to the deadlines required of this project, we will request that the jurisdictions allow us to review their records as soon as possible. Once scheduled, we will provide each agency with an audit notification letter and an initial document request. The scheduling of the audits will be performed by designated staff. Once all audits have been scheduled, we will provide VCTC with a schedule detailing the proposed dates of the audit fieldwork.

We will maintain a master schedule with all agencies to be audited. This schedule will include the following.

- A list of the agencies to be audited.
- The various audits to be performed for each agency.
- The Field Auditor will be assigned to the audit.

- Date of commencement of fieldwork.
- Date notification was sent to the agency.
- Date preliminary documentation is due back from the agency.
- Date the workpapers are due for management for review.
- Date workpapers were provided to management for review.
- Date the draft was sent to VCTC and agency for review.
- Date comments were received from VCTC and the agency.
- Date revised draft was sent to VCTC and agency.
- Date management representation letter and subsequent event were sent to the agency.
- Date management representation letter and subsequent event were received from the agency.
- Date final report and letter to those charged with governance was sent to VCTC and the agency.
- The agencies requesting and extension and date of the extension.
- Comments on issues impacting the audit, etc.

Planning

ASM uses the software program, CaseWare, to maintain audit workpapers, which is online and available for review in real-time. Prior to commencement of the VCTC TDA audit cycle, the Audit Manager will set up the CaseWare workpaper templates to be used for all audits. The CaseWare workpapers will include all the workpaper templates, report templates and the laws and regulations relevant to the audit. The laws and regulations will be determined based on the TDA Guidelines, LCTOP Guidelines, PTMISEA Guidelines, State of Good Repair Program Guidelines, State Bills, and Assembly Bills for the State of California. We will then provide training to all staff working on the TDA audits prior to commencing planning of the audits.

Each year, at the commencement of the planning phase of the audit, our engagement team will meet to disseminate the information received from the VCTC Finance Director and Accounting Manager during the planning meeting and identify for each client, areas (account balances, transaction classes, funds, activities, etc.) for which there is a heightened risk of fraud or misstatement. Additionally, we send out questionnaires to the agencies to obtain an understanding of the internal controls surrounding each program, entity and activity level controls, and fraud risk from an accounting and program perspective. These questionnaires enable us to get an understanding of the internal controls surrounding the program as well as the agency's attitude toward fraud and risk mitigation.

We will then tailor our audit testing and transaction testing for the year to be specifically skewed to these areas of significant risk. We believe that this risk-focused approach toward testing in combination with analytical procedures is significantly more effective than prior approaches toward testing.

Once we receive the preliminary general ledger and trial balance from the agencies, we will be calculating the planning materiality, performance materiality, and trivial misstatement in order to

determine what needs to be tested, and what exceptions require further probing. Additionally, at this stage, we perform a preliminary analytical review to determine if revenues, expenditures, assets, and liabilities for the current period look reasonable compared to the prior year, and request explanations from the agency for material variances. Review the explanations provided by the claimants for reasonableness and determine the need to revise the methodology.

Below is the number of hours assigned to each proposed segment, and breakdown of hours by staff level is below:

| Agency | Article 3 | Article 4 | Article 8 a | Article 8 c | Prop 1B | LCTOP | SGR Fund | STA Fund | STA - Transfer | VCTC Intercity | Valley Express | ECTA |
|--------------------------|------------|------------|-------------|-------------|-----------|-----------|------------|------------|----------------|----------------|----------------|-----------|
| City of Camarillo | 40 | | 30 | 50 | | | 35 | 35 | | | | |
| County of Ventura | 45 | | | | | | | | | | | |
| City of Fillmore | 45 | | 50 | 40 | | | | | | | | |
| City of Ojai | 40 | | | | | | | | | | | |
| City of Oxnard | 40 | | 40 | 40 | | | | | | | | |
| City of Port Hueneme | 30 | | | | | | | | | | | |
| City of San Buenaventura | 40 | | | | | | | | | | | |
| City of Santa Paula | 40 | | 35 | 30 | | | | | | | | |
| City of Simi Valley | 35 | 45 | | | 45 | | 35 | 35 | | | | |
| City of Thousand Oaks | 45 | | 40 | 45 | | | 35 | 35 | | | | 40 |
| VCTC | 40 | | | | | 30 | 40 | 40 | 40 | 50 | 50 | |
| GCTD | | 50 | | | | 40 | 40 | 40 | | | | |
| GCTD - County of Ventura | | 50 | | | | | | | | | | |
| GCTD - City of Ojai | | 50 | | | | | | | | | | |
| GCTD - City of Oxnard | | 50 | | | | | | | | | | |
| GCTD - Port Hueneme | | 50 | | | | | | | | | | |
| GCTD - City of Ventura | | 50 | | | | | | | | | | |
| Total Hours | 440 | 345 | 195 | 205 | 45 | 70 | 185 | 185 | 40 | 50 | 50 | 40 |

| | |
|---|--------------|
| Total Hours Broken by Staff level: | |
| Partner Hours | 300 |
| Manager Hours | 500 |
| Staff Hours | 1,050 |
| Total hours | 1,850 |

Fieldwork

During this task, our staff will be conducting the audit remotely. In general, the fieldwork will include the following: (The actual steps to be performed at any given jurisdiction may vary in order to address the specific facts and circumstances encountered.)

1. We will document the internal controls over the recording of TDA and revenues and expenditures and evaluate for adequacy.
2. We will judgmentally select a sample of 30% to 50% of non-payroll expenditures. Generally speaking, the expenditure details provided for the TDA are small, not requiring

statistical sampling. The sampled items will be tested to ensure the expenditure was recorded in the proper period, the expenditure was properly supported, and the expenditure was allowable in accordance with the regulations.

3. If payroll expenditure is material, we will select three to five employees and two non-consecutive pay periods for testing.
4. We will be verifying 100% of the revenue received with VCTC and select a judgmental sample to test internal controls surrounding revenue recording.
5. The scope of our review of activity will include expenditures which the claimant has incurred during the period, as well as a review of projects for which funds were allocated but not yet expended.
6. We will review to determine if the agency met match requirements per grant agreements and direction from VCTC on transferred funds.
7. We will determine whether any interest income should be allocated to the unspent grant funds.
8. We will verify cash, accounts receivable, accounts payable, and unearned revenue are adequately supported.
9. We will obtain asset schedule and supporting documentation to support the asset additions, disposals, and depreciation. We will review depreciation for reasonableness.
10. We will review unrecorded liabilities to ensure that all expenditures that relate to the audit period have been recorded in the correct period.
11. We will report whether agencies met the required ratios in accordance with the accordance with the Public Utilities Code and California Code of Regulations, such as the farebox ratio and operator efficiency standards.
12. We will review if agencies met other compliance requirements based on applicable laws and regulations.
13. We will prepare any necessary adjusting journal entries and provide copies of our proposed adjustments to the claimant for their review.

Fieldwork will be performed primarily by our Field Auditors. We typically will assign only one individual to perform the fieldwork at the agency.

Prepare Draft Report

Immediately upon the completion of fieldwork, our Field Auditors will prepare the draft report and submit it, along with the audit working papers, to the assigned Audit Manager for review. The Audit Manager will review the working papers and provide and document any review comments and request that the Field Auditor provide clarification. Should any audits be performed by an Audit Manager, the Engagement Partner will review the working papers. Once all comments are cleared, the working papers and draft report will be submitted to the Engagement Partner for review. After the Engagement Partner's review, the draft report will be submitted to the jurisdiction and VCTC for review and comment. We ask that the jurisdiction sign an acknowledgement form and return it to us with their comments on the draft report. This acknowledgement form serves as documentary evidence that the jurisdiction did, in fact, see and review the draft report. The acknowledgment also provides confirmation that the numbers on the draft report have not changed since fieldwork was completed. We will specify a date by when comments must be received by us in order that the report may be finalized in a timely manner. It is our plan that all draft reports will be issued within three weeks following completion of fieldwork.

Prepare Final Report

Upon receipt of comments from VCTC and/or the jurisdiction, we will modify the draft report if necessary. The draft report will then be finalized and submitted to the Engagement Partner for review and signature.

Communication of Audit Status

Throughout the course of the TDA and associated program audits, our Engagement Partner and/or Project Manager will be in communication with the VCTC Accounting Manager. The purpose of this ongoing communication is to demonstrate to VCTC that the audits are progressing and will be completed by the required due dates. Additionally, this affords us the opportunity to notify VCTC on the front end should a controversial issue arise. As part of this communication the Project Manager will update VCTC on the progress of the audits from September through November on a monthly basis and during December on a weekly basis.

Special Issues, Problems, and Hurdles

Based on our prior experience, the biggest hurdle to completing the TDAs in a timely manner has been due to agencies not providing the required documentation in a timely manner. This arises when agencies do not provide the required preliminary items prior to fieldwork, are not ready when we are on-site for fieldwork, and follow-up items subsequent to fieldwork. This could be due to holidays, wildfires in the county, staff being on medical leave, the agencies being short staffed, conflicting regular work during the audit, or the low priority placed by the agency on the TDA audits. We have overcome this by trying our best to complete as much work as possible prior to going out for fieldwork and completing as much as possible during fieldwork, and then being

in constant contact with the agency until the required information is received. Any unreasonable delays are then communicated to VCTC, and in extreme circumstances, we get VCTC to intercede.

Another problem we face is no continuity of TDA staff at the agencies due to high staff turnover in some agencies. In such circumstances, we are patient and work with the new staff to understand the TDA program and the requirements and share with them the support that was provided in prior years to assist them generate the reports required.

In many cases, the agency staff are unaware of how to calculate the farebox recovery ratio, and do not understand that as auditors we cannot prepare it, due to independence reasons, as we cannot audit our own work. To overcome this hurdle, we created a farebox recovery ratio calculation template which we distributed to the agencies to assist them with their calculation.

Most agencies receiving TDA funding from VCTC receive TDA 3 funding for pedestrians and bicycles, the maintenance of bicycle trails, and bicycle safety education programs. This report includes the Schedule of Status of Funds by Project, which most agencies struggle to complete. As such in September 2019 we organized a training session to go over how to complete the TDA 3 Schedule of Status of Funds by Project and for VCTC to introduce the SGR program requirements.

Another issue is that if the Annual Comprehensive Financial Report (“ACFR”) is not issued prior to the TDA financial report, there are adjusting journal entries posted by the agency’s annual financial auditors, which cause prior period adjustments on the TDA reports in subsequent years. To avoid this, we try to plan the TDA audits around the agency’s annual financial audit and not issue the final TDA report until the CAFR is finalized. Another issue we encounter is that if we schedule the audits too early, the agencies keep passing adjusting journal entries, which requires us to make multiple revisions to our workpapers. Therefore, we try to strike a balance between waiting for the ACFR to be issued and meeting the December 31 deadline for filing the audited TDA reports with the state.

Services to Meet the Needs of VCTC

As explained above under Client Assistance and issues above, we are available to provide VCTC with their consulting needs to clarify regulations and go the extra mile to assist agencies so that we can educate the agencies on TDA and associated program requirement to have a successful and smooth audit experience as possible.

Additionally, we have always been flexible to meet the various needs of VCTC. This includes adding additional audits to existing agencies such as when SGR was introduced in 2019/20 and TDA 8c for the City of Camarillo or when additional audit procedures were required as a special project for the City of Simi Valley TDA 3 program in 2019, so that the city could clean up TTDA activity including the match requirements short falls for prior periods for fiscal years 2011/12 through 2015/16.

Remote or Hybrid Fieldwork

We have found performing fieldwork remotely works best for us from an efficiency standpoint. As the TDA and associated program audits are small audits, the Claimants do not give them much importance. As the TDA and associated programs are not a priority the Claimants are very often not prepared for the audits despite several communications as to the requested documentation and field work dates. We send out the list of requested documentation in August or September for fieldwork in October and November. Travel time to and from our office in Orange County to VCTC is over five hours and if the Claimant is not prepared, then the five hours is a wasted five hours that could have been used more efficiently on another audit. Due to the pandemic, most Claimants' staff worked remotely, necessitating the Claimants to maintain electronic documentation. As such, this causes no additional burden to the Claimants to provide us with the required documents electronically. To ensure that the audit documentation is transmitted securely, we have set up ShareFile, which is a secure site that requires users to use a username and password to login.

If we perform the TDA and associated program audits we need to get hotel accommodation as well, as the Claimants and VCTC are over 100 miles away from our office. Additionally, it is hard to find hotels within the Caltrans rates that are safe for staff and close to the various Claimant locations.

Remote audits offer greater flexibility in scheduling since auditors and clients don't need to coordinate travel logistics. This can make it easier to schedule audits at times that are convenient for both parties.

Remote audits can be less disruptive to the client's operations since auditors are not physically present onsite. This can minimize disruptions to normal business activities and help maintain productivity during the audit process.

We have worked with all Claimants (except for Gold Coast Transit District (GCTD) for 10 years, we are familiar with the personnel and their processes. However, it's important to note that remote audits may not be suitable for all situations. In some cases, onsite audits may still be necessary to effectively assess certain aspects of a client's operations or to address specific concerns. For example, if we are awarded the VCTC contract, we intend to go out to GCTD at least for a day to meet the personnel handling the TDA and associated programs and get an understanding of their internal control and processes.

Completion of Audits in a Timely Manner

In the 10-years we have been performing the TDA and associated program audits, we have never requested an extension to file the TDA and associated program audit reports. All extensions have been due to issues with the Claimants inability to provide us with final numbers and documentation to complete the audits. We have achieved this by taking all necessary steps to conduct a successful audit and the main step is constant and clear communication.

As mentioned above we send the initial document request list at least a month in advance and provide strict deadlines as to when the documents are due. Before the due date, we touch base with the Claimant to see if they have any questions on the requested items. If the requested documentation is not received by the due date, then we follow up by email or phone, depending on which communication the Claimant is responsive to. We promptly respond to any questions raised by the Claimant. If any issues are identified, we will bring it to the attention of the Claimant.

We identify critical tasks and prioritize them based on their importance and deadlines. Focus on completing high-priority tasks first to ensure that key audit objectives are met within the required timeframe. If the Claimant is behind and has many TDA and associated programs we prioritize one program at a time for the Claimant to focus on depending on VCTC's requirements.

We ensure that the audit team has the necessary resources, including personnel, tools, and technology, to complete the audit efficiently. Allocate resources based on the complexity and scope of the audit to optimize productivity. To this end we ensure that the same in-charge auditor is assigned to the Claimants to ensure consistency and efficiency, as the in-charge auditor already knows the Claimant, their systems, and their deficiencies.

We invest time in thorough planning to streamline the audit process and identify potential challenges or bottlenecks in advance. We develop a detailed audit plan that outlines the objectives, scope, methodology, and timelines for the audit. We develop workpaper templates, and provide the Claimants Word and Excel report templates months in advance, so that they can review and update the notes to the financial statements.

We leverage audit workpaper software, CaseWare as mentioned earlier and other technological tools to automate routine tasks, and facilitate collaboration among team members. This helps save time and improve efficiency throughout the audit process. We conduct weekly meetings with all TDA auditors to discuss the progress of the audits as well as discuss issues identified and to ensure the audits are on track to meet the stipulated deadline.

Prior to the commencement of the audit we conduct training for all TDA auditors to discuss the audit expectations, share information provided by VCTC at the kickoff meeting, and new regulations. We have implemented quality assurance processes to review audit workpapers,

documentation, and findings to ensure accuracy and completeness. Conduct regular reviews throughout the audit process to identify and address any issues or discrepancies promptly.

Conclusion

We have reviewed the requirements in the RFP, understand the requirements in the RFP, and we commit to VCTC that we will assign all resources necessary to successfully complete this project by the required due dates.

VCTC can attest to the successful outcomes of our previous TDA and associated program audits for VCTC and how we have continued to meet the TDAs strict deadlines and worked collaboratively with VCTC and the Claimants to improve the audit process.

We have continuously made ourselves available to VCTC in the past and will continue to do so going forward to provide technical support and guidance.

We will continue to maintain strong communication and collaborate with VCTC staff, and the Claimants involved in the audit process and will continue to maintain open lines of communication, address concerns promptly, and work effectively as a team.

We understand VCTC's unique needs, challenges with certain Claimants, and objectives related to TDA compliance and funding.

We are committed to continuous improvement and welcome feedback from VCTC. We continue to work towards reducing the time between fieldwork and the issuance of the draft report and to continue to deliver even greater value in the future.

We offer competitive pricing and excellent value for VCTC without compromising on quality. Based on our past experience performing TDA and associated program for 10 years, we have built a strong team and relationship with VCTC. This puts us in a unique position to serve VCTC in the next five years on its Professional TDA SGR, Proposition 1B, and LCTOP Financial and Compliance Audits.

APPENDIX A - Resumes of Key Personnel

APPENDIX A – RESUMES OF KEY PERSONNEL

Andrea Jayasekara, CPA, ACMA, MBA, Engagement Partner

Andrea has over 23 years in public accounting and 16 years of governmental auditing, accounting, and consulting experience. Andrea's experience includes serving as Manager and subsequently Engagement Partner on the TDA audits performed on behalf of **Ventura County Transportation Authority ("VCTC")**, Riverside County Transportation Commission ("RCTC"), San Bernardino County Transportation Authority ("SBCTA") Orange County Transportation Authority ("OCTA"), Los Angeles County Metropolitan Transportation Authority (LACMTA), and San Diego Association of Governments ("SANDAG"), as well as performing numerous financial and compliance audits on behalf of several transit agencies. Additionally, she has strong internal control audit experience through the performance of SSAE 18 Services Organization Control (formerly known as SSAE 16/SAS 70) audit of the internal controls of service organizations.

Employment History

- ASM LLP: Managing Partner - January 2023 to Present
- Conrad LLP: Partner - January 2016 to Present
- Conrad and Associates ("CBIZ-MHM"): Manager –2006 to 2016
- KPMG: Senior Manager - 2000 to 2006

Education

Master's in Business Administration, General, Postgraduate, Institute of Management
University of Sri Jayawardenepura, Sri Lanka

Professional Certifications

Certified Public Accountant, State of California, No. 109944
Associate Chartered Management Accountant, United Kingdom No. 1-H32D

Experience

Ventura County Transportation Commission ("VCTC")

Andrea served as engagement manager on behalf of VCTC for the Transportation Development Act ("TDA") financial and compliance audits of various TDA funding recipients from Fiscal Year 2016 to-date.

Riverside County Transportation Commission ("RCTC")

Andrea served as engagement manager on behalf of RCTC for the TDA 3 and 4 audits and agreed-upon procedures engagements relating to the Measure A sales tax revenue from 2016 to-date.

San Diego Association of Governments ("SANDAG")

Andrea was the manager and auditor on TDA audits and agreed-upon procedures engagements related to *TransNet* sales tax revenue from 2010 through 2015.

Orange County Transportation Authority ("OCTA")

Andrea served as the manager on several on-call engagements and auditor on several TDA audits on behalf of OCTA for Fiscal Years 2007 through 2010. The on-call engagements included cost incurred audits, close out audits and compliance audits.

San Bernardino County Transportation Authority ("SBCTA")

Andrea is the engagement partner for SBCTA on a five year on-call contract for which the main purpose is performing cost analysis engagements. These cost analysis engagements are smaller but also cover the review of the prime contractors and subcontractor/consultants' financial systems to ensure costs can be tracked and billed accurately as well as the financial viability of the proposer. In addition, Andrea in the

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past has been engagement manager and field auditor on on-call pricing reviews, Measure I AUP, internal procurement process AUP, and internal risk assessment AUP engagement performed on behalf of SBCTA. In addition, was the Engagement Partner on the SBCTA TDA and Measure I audits.

Southern California Regional Rail Authority (“SCRRA”)

Andrea was the engagement partner on three large Cost Analysis AUP engagements performed on behalf of SCRRA in 2020. Each cost proposal had five prime contractors and around 100 subcontractors/consultants and the engagement covered the review of fully burdened direct labor, escalation, indirect cost rate and other direct costs. The AUPs are conducted in accordance with AICPA guidelines.

Special Inspector General for Afghanistan Reconstruction (“SIGAR”)

Andrea had served as the Audit Manager on numerous contracts to perform cost incurred audits on behalf of SIGAR. The funding agencies included in the scope of these audits are United States Agency for International Development (USAID), U.S. Department of Defense, and U.S. Department of State. The audit objectives for these audits were Special Purpose Financial Statements, Internal Controls, Compliances, and Review of Prior Audit Findings and Recommendations. These audits were conducted in accordance with AICPA guidelines.

United State Department of Agriculture (“USDA”)

Andrea is currently a Project Manager on the SSAE 18 audit for the United States Department of Agriculture, Office of Chief Financial Officer, to audit the internal controls surrounding the Financial Management Services. Duties include reviewing internal controls to ensure they are within the regulatory guidelines, reviewing staff working papers, providing assistance to staff with review approach, and developing solutions to various issues as they arise. **Center of Medicare and Medicaid Services (“CMS”)** Performance Audits – Andrea fills the role of Part C Organization Determinations, Appeals and Grievances Team Lead on the CMS audit team for Program Audits conducted on behalf of CMS. She has been Team Lead since 2016 and conducted over 25 Program audits in the last seven years. Program audits of Medicare Advantage Organizations (MAOs) and/or Prescription Drug Plans (PDPs) for CMS in the capacity of Part C Organization Determinations, Appeals and Grievances. Andrea’s role was Team Member and Team Lead on the CMS audit team. The audits focus on Compliance Program effectiveness; Part C Organization Determinations, Appeals and Grievances; Part C Access (Complaints); Part D Formulary Administration; Part D Coverage Determinations, Appeals and Grievances; and Special Needs Plans Model of Care.

SSAE 18 Reviews – Andrea has managed and in-charged SSAE 18 reviews for various medical intermediaries and other service organizations. Duties included reviewing staff working papers, providing assistance to staff with review approach, developing solutions to various issues as they arose, and writing findings and required corrective action. In addition, Andrea reviewed internal controls to ensure they were within the regulatory guidelines.

Medicare Advantage and Prescription Drug Plan (“MAPD”) 1/3rd Financial Audits – Andrea has managed and in-charged numerous examinations of MAPD (Part C and Part D) plans under the Medicare Program. Duties included reconciling bid projections to source data, determining if bid projections were reasonable and allowable in accordance with CMS guidelines, and other compliance requirements under CMS guidelines. Other duties included planning and scheduling, in-charge review of staff working papers, performing entrance and exit conferences, and preparation of reports.

National Science Foundation (“NSF”)

Andrea served as field auditor and subsequently audit manager on the on-call pricing review contract with NSF. During that time over two hundred AUP reports were issued on pricing reviews performed on grants

APPENDIX A – RESUMES OF KEY PERSONNEL

to be provided to potential grantees, in accordance with attestation standards established by the AICPA guidelines.

Department of Justice (“DOJ”)

Andrea was the Engagement Partner for the financial and compliance audits conducted on behalf of the DOJ on Chapter 12 standing trustees in accordance with Handbook for Chapter 12 Standing Trustees, the Qualifications and Standards for Standing Trustees, other appropriate policy memoranda which may be periodically issued by the Executive Office for United States Trustees. Andrea has been doing these audits since 2021. Two reports are issued on the Chapter 12 Trustees. The first is an agreed-upon procedure (AUP) report which covers the compliance of the Chapter 12 program is performed based on attestation standards established by the American Institute of Certified Public Accountants (AICPA). The other is the Annual Report performed in accordance with auditing standards generally accepted in the United States of America.

United States Coast Guard (“USGS”)

Andrea has performed and was the Engagement Partner for the Financial and Compliance audit of the Moral, Well-Being, and Recreation Division of the United States Coast Guard, Base Kodiak in accordance with **Generally Accepted Government Auditing Standards (GAGAS)**. Duties included risk assessment, internal control review, physical inspection, expense testing and report preparation.

California Public Employees’ Retirement System (“CalPERS”)

Andrea is the Engagement Partner for CalPERS to provide agreed-upon procedures on their real estate portfolio. The engagement is to review the incentive fee claimed by the portfolio manager to ensure it is in agreement with the terms of the contract and the AUP is performed in accordance with attestation standards established by AICPA.

Los Angeles County Employees’ Retirement Association (“LACERA”)

Andrea is the Engagement Partner for LACERA to perform financial and compliance audits and agreed-upon procedure engagements. The financial and compliance audits are performed in accordance with AICPA. Andrea performs the financial compliance audit on one of its real estate portfolios, Heitman, which has an investment in real estate at a fair market value of \$676 million. These audits are performed according to Accounting Principles Generally Accepted (GAAP) in the United States of America.

Additionally, we have an on-call contract to perform agreed-upon procedures on LACERA property managers on contract compliance with the with the Property Management Agreement. The AUPs are conducted in accordance with AICPA guidelines.

DB E.C.O. North America (“DBE”)

Andrea is the engagement partner for the indirect cost (IDC) rate audit performed for DBE in accordance with GAAS and GAGAS. The audit is to ensure the IDC Calculation is in accordance with Part 31 of the Federal Acquisition Regulation (FAR) and The American Association of State Highway Transportation Officials (AASHTO) guidelines. DBE provides unique and tailored consulting & engineering services to rail and transit agencies and private operators. DBE assists their clients in developing technically sophisticated and customized mobility and transportation solutions. DBE is a U.S. subsidiary of Deutsche Bahn Group (DB). Andrea has been overseeing this audit annually commencing 2019 to-date.

Pacific Railway Enterprises, Inc. (“PRE”)

Andrea is the engagement partner for the indirect cost rate audit performed for PRE in accordance with GAAS and GAGAS. The audit is to ensure the IDC Calculation is in accordance with Part 31 of the FAR and AASHTO guidelines. PRE is an engineering firm that specializes in railroad signal and communications systems design, field surveys, inspection, testing and commissioning, vital processor software development, simulation and rack testing, material procurement and cost estimating, project management, construction

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management, and design support during construction. Andrea has been overseeing this audit commencing 2016 to-date.

Sierra Geotech (“SG”)

Andrea was the engagement partner in 2021 on a consultancy engagement to help SG set up their accounting system that enables management to track allowable and unallowable expenses and direct and indirect expenses to accurately compute an indirect cost rate. Sierra Geotech is a materials testing, field inspections, geotechnical engineering and environmental permitting services firm that began operating in 2016. SG execute projects across the Western United States.

Smith-Emery (“SE”)

Andrea has been an engagement partner since 2022 on a consultancy engagement regarding questions they have regarding the accurate computation and reporting of the holding and subsidiary indirect cost rate. Smith-Emery commenced operations in 1904 in the construction industry. Services that Smith-Emery provides includes curtain wall testing, environmental services, geotechnical & geological services, metallurgical laboratory, physical & geotechnical laboratory testing, rail flaw detection, structural laboratory, material testing, third party audits, and tile and stone laboratory.

360 Southbay Homeowners Association

Andrea was the engagement partner on a construction and payroll cost agreed-upon procedure engagement. These engagements involved applying Agreed-Upon Procedures to determine if Prime and Subcontractors incurred and billed costs accurately and that all costs billed were allowable based on the provisions set forth in the respective Construction Contract. The AUPs are conducted in accordance with AICPA guidelines.

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Joe Chen, EQR Partner

Joe Chen, has 23 plus years of GAGAS audit experience with numerous federal government agencies. Joe's experience includes TDA audits performed on behalf of Riverside County Transportation Commission ("RCTC") and Orange County Transportation Authority ("OCTA"), as well as performing numerous financial and compliance audits on behalf of several transit agencies. He has more than a decade of experience in federal cost and compliance audits including Financial Costs Incurred Audits for SIGAR and USAID OIG. He also has extensive IT and internal control audit experience with SOC I, Type II examinations in accordance with SAS 70/SSAE 16/SSAE 18/SSAE 21 standards for Centers for Medicare and Medicaid Services and its fiscal intermediaries as well as USDA. He had managing experience in federal audits including CMS's MADP examinations and program compliance audits and MCO audits on numerous Health Plans, Financial and Compliance Audits for Corporation of National and Community Service on the AmeriCorps, Federal Administrative Cost Proposal (FACP audits), and other internal control and compliances audits. Mr. Chen has extensive knowledge of GAGAS, GAAS, GAAP, SSAE, OMB, FAR, and CFR.

Employment History

- ASM LLP: Partner - 2023 to Present
- Conrad LLP: Senior Manager – 2017 to Present
- Mayer Hoffman McCann: Manager – 2006 to 2017
- Conrad and Associates, LLP: Manager – 2000 to 2005
- U.S. Department of Defense (DCAA) – May 1999 to September 1999

Education

Bachelor of Arts in Business Administration, with an emphasis in accounting
California State University, Los Angeles

Experience

Riverside County Transportation Commission ("RCTC")

Joe has managed and in-charged several financial audits for various cities receiving Transportation Development Act and related funding from the County. These audits were conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and GAGAS.

Orange County Transportation Authority ("OCTA")

Joe has managed several on-call engagements and audited several TDA audits on behalf of OCTA. The on-call engagements included cost incurred audits, close out audits and compliance audits.

San Bernardino County Transportation Authority ("SBCTA")

Mr. Chen was the manager on numerous compliance audits conducted on behalf of the SBCTA. The on-call work includes pre-award pricing reviews based on Contract Task Orders issued, which cover financial stability, financial system adequacy, and reasonableness of costs proposed by prime and subcontractors on SCRRA construction projects, agreed upon procedures on internal controls, Measure I Ordinance compliance, etc.

Southern California Regional Rail Authority ("SCRRA")

Joe was the manager on three large Cost Analysis AUP engagements performed on behalf of SCRRA in 2020. Each cost proposal had five prime contractors and around 100 subcontractors/consultants and the engagement covered the review of fully burdened direct labor, escalation, indirect cost rate and other direct costs. The AUPs are conducted in accordance with AICPA guidelines.

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Special Inspector General for Afghanistan Reconstruction (“SIGAR”)

Mr. Chen has served as the Audit Manager on numerous contracts to perform cost incurred audits on behalf of SIGAR since 2013. The funding agencies included in the scope of these audits are USAID, U.S. Department of Defense, U.S. Department of State, and the U.S. Department of Agriculture. The audit objectives for these audits were Special Purpose Financial Statements, Internal Controls, Compliances, and Review of Prior Audit Findings and Recommendations. Mr. Chen is currently managing nine SIGAR audits concurrently with other Managers.

United State Agency for International Development (“USAID”)

Mr. Chen has served as the Audit Manager on the engagement to perform cost incurred, financial close-out, and cost settlement audits of contracts awarded to Afghanistan reconstruction organizations by USAID. The audit objectives for this audit are Fund Accountability Statement, Compliance with Vetting and Sub-Awards and Procurement, Internal Controls, Compliance with Terms of Award and Applicable Law and Regulations and National Technical Assistance (NTA), Cost Sharing, Application of Correct Indirect Cost Rates, and Review of Corrective Action Performed on Prior Audit Recommendations.

United States Department of Agriculture (“USDA”)

Mr. Chen is currently a Project Manager on the SSAE 18 audit for the United States Department of Agriculture, Office of Chief Financial Officer, to audit the internal controls surrounding the Financial Management Services. Duties include review of internal controls to ensure they were within the regulatory guidelines, reviewing staff working papers, and developing solutions to various issues as they arise.

Center for Medicare and Medicaid Services (“CMS”) - SSAE Examination

Mr. Chen has managed and in-charged various SOC I, Type II examinations in accordance with SAS 70/SSAE 16/SSAE 18 standards for various medical intermediaries and other service organizations. Duties included reviewing staff working papers, providing assistance to staff with a review approach, developing solutions to various issues as they arose, and writing findings and required corrective action. In addition, she reviewed internal controls to ensure they were within the regulatory guidelines.

CMS – Payroll Based Journal

Mr. Chen serves as a senior manager on the PBJ audits, where ASM serves as the prime contractor. The PBJ audits focused on Quality Improvement Organization Program to improve the effectiveness, efficiency, economy, and quality of services delivered to Medicare beneficiaries, working with nursing homes throughout the country through the National Nursing Home Quality Care Collaborative. The scope of work includes continued auditing to verify the accuracy of data submitted through the payroll-based journal system and to assess the accuracy of Minimum Data Set information.

CMS – Medicare Advantage and Prescription Drug Plan (“MAPD”)

Mr. Chen has been a Manager and In-Charge Auditor on numerous examinations and program compliances audits of MAPD (Part C and Part D) plans under the Medicare Program. Duties included ensuring program compliance, reconciling bid projections to source data, determination if bid projections were reasonable and allowable in accordance with CMS guidelines, and other compliance requirements under CMS guidelines. Other duties included planning and scheduling, in-charge review of staff working papers, performing entrance and exit conferences, and preparation and presentation of reports.

In addition, Mr. Chen has managed and in-charged numerous financial examinations and program audits of MAPD (Part C and Part D) plans under the Medicare Program. Duties included ensuring program

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compliance, reconciling bid projections to source data, determination if bid projections were reasonable and allowable in accordance with CMS guidelines, and other compliance requirements under CMS guidelines. Other duties included planning and scheduling, in-charge review of staff working papers, performing entrance and exit conferences, and preparation and presentation of reports.

Finally, Mr. Chen has in-charged and supervised Managed Care Organization's annual cost proposal report audits. Duties included internal control review, reconciling claimed costs to auditee's records, and researching CMS guidelines to ensure auditee's claimed costs were allowable under the CMS guidelines. Other duties included planning and scheduling, and supported staff, providing solutions to difficult tasks, and ensuring that the audits followed regulatory guidelines.

Enhance Medication Therapy Management ("eMTM") Model Auditing

Mr. Chen was the engagement manager on the CMS eMTM contract where Conrad is the prime contractor. eMTM consists of auditing actual costs reported on the Actual Cost Tool (ACT) to ensure the costs were reasonable, allowable, allocable, program guidelines.

Home Health Agency Cost Incurred Audits

Mr. Chen has been an In-Charge on of numerous costs incurred audits of home health agencies receiving Medicare funding. Duties included preparation of work papers, reconciling medical cost reports, and presenting findings to management.

Final Administrative Cost Proposal ("FACP")

Mr. Chen has managed and assisted in various cost incurred FACP audits. Duties included internal control review, reconciling claimed costs to auditee's records, and researching CMS guidelines to ensure auditee's claimed costs were allowable under the CMS guidelines. Other duties included planning and scheduling, managerial reviews and support for audit in-charges and staff, providing solutions to difficult tasks, and ensuring that the audits followed regulatory guidelines.

Corporation for National and Community Service ("AmeriCorps")

Mr. Chen has performed extensive financial/compliance audits and agreed-upon procedures reviews for the Office of Inspector General – CNCS. The results of the audit disclosed enough evidence to warrant a formal investigation as well as ceased funding from CNCS. His work entailed working with the Office of Inspector General's investigative team to gather data and information used for their investigation.

National Science Foundation ("NSF")

Mr. Chen has assisted on several cost incurred audits of grantees receiving funding from NSF. Duties included workpaper preparation, internal control review and testing, and presenting findings to management.

First 5 Orange County, Children and Families Commission

Mr. Chen has been a Manager of First 5 Orange County (previously Children and Family Commission of Orange County or "CFCOC"). The engagement is to provide Agreed Upon Procedures in relation to contract performance, contract and ordinance compliance, and assessing internal controls.

City of Los Angeles, Mayor's Office of Homeland Security and Public Safety

Mr. Chen was the Manager for the agreed-upon procedure review of compliance on subrecipients costs incurred of American Recovery and Reinvestment Act Justice Assistance Grant (ARRA Recovery JAG 09) and 2009 Edward Byrne Memorial Justice Assistance Grant (JAG 09). Duties included developing AUP procedures, planning and preliminary assessments, reviewing work papers, preparing reports, and presentation of findings.

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Orange County Health Care Agency

Mr. Chen was the Manager of the program specific/compliance audit services performed on behalf of Orange County Health Care Agency. These audits are performed on over fifty health care services providers' through-out the County of Orange, California. Each audit is a program specific, cost incurred and compliance review. Duties include scheduling the audits, reviewing work papers, preparing reports, and presentation of findings.

Orange County Social Services Agency

Mr. Chen was the In-Charge Senior and the Manager of the program specific/compliance audit services performed on behalf of Orange County Social Service Agency. Each audit was a program specific, cost incurred and compliance review. Duties included scheduling the audits, preparing work papers, reviewing work papers, preparing reports, and presentation of findings.

County of Los Angeles

Mr. Chen was the Manager and In-Charge on numerous state funded cost incurred grant audits within various departments of the County including Board of Corrections, Department of Public Social Services, and Office of Criminal Justice Planning for the past six years. Duties included scheduling the audits, work paper preparations, reviewing work papers, presenting findings to management, and preparing reports.

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Mia Doan, CPA, Audit Manager

Mia has more than five years of experience in Federal cost and compliance audits including Financial Costs Incurred Audits for Special Inspector General of Afghanistan Reconstruction (“SIGAR”), as well as financial and compliance audits for a variety of clients, including but not limited to California State Teachers’ Retirement System (“CalSTRS”), California Public Employees’ Retirement System (“CalPERS”), Los Angeles County Employees’ Retirement Association (LACERA), United State Department of Agriculture (“USDA”), Ventura County Transportation Committee (“VCTC”), and Riverside County Transportation Commission (“RCTC”).

Employment History

- Conrad LLP: Supervisor – May 2017 to Present
- JD Property Management Inc. – 2015 to 2017

Education

Master of Science in Accountancy
University of Houston, Texas

Professional Certifications

Certified Public Accountant, State of California, No. 146178

Experience

Ventura County Transportation Commission (“VCTC”)

Mia has served as the In-Charge Auditor on several financial audits for various cities receiving Transportation Development Act and related funding from the County. These audits were conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and GAGAS.

Riverside County Transportation Commission (“RCTC”)

Mia has served as the In-Charge Auditor on several financial audits for various cities receiving Transportation Development Act funding from the County. These audits were conducted in accordance with AICPA guidelines.

San Bernardino County Transportation Authority (“SBCTA”)

Mia in-charged numerous compliance audits conducted on behalf of the SBCTA. The on-call work includes pre-award pricing reviews based on Contract Task Orders issued, which cover financial stability, financial system adequacy, and reasonableness of costs proposed by prime and subcontractors on SBCTA construction projects, agreed upon procedures on internal controls, Measure I Ordinance compliance, etc. Mia was also the In-Charge auditor on the SBCTA TDA and Measure I audits.

Department of Justice (“DOJ”)

Mia is the In-Charge Auditor for the financial and compliance audits conducted on behalf of the DOJ on Chapter 12 standing trustees in accordance with Handbook for Chapter 12 Standing Trustees, the Qualifications and Standards for Standing Trustees, other appropriate policy memoranda which may be periodically issued by the Executive Office for United States Trustees. Mia has been doing these audits since 2021. Two reports are issued on the Chapter 12 Trustees. The first is an agreed-upon procedure (AUP) report which covers the compliance of the Chapter 12 program is performed based on attestation standards established by the American Institute of Certified Public Accountants (AICPA). The other is the Annual Report performed in accordance with auditing standards generally accepted in the United States of America.

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Special Inspector General for Afghanistan Reconstruction (“SIGAR”)

Mia has served as the In-Charge Auditor on numerous contracts to perform cost incurred audits on behalf of SIGAR. The funding agencies included in the scope of these audits are USAID, U.S. Department of Defense, and U.S. Department of State. The audit objectives for these audits were Special Purpose Financial Statements, Internal Controls, Compliances, and Review of Prior Audit Findings and Recommendations. These audits were conducted in accordance with AICPA guidelines.

United State Agency for International Development (“USAID”)

Mia has served as the In-Charge Auditor on a contract to perform cost incurred audits on behalf of USAID. The audit objectives for this audit are Fund Accountability Statement, Compliance with Vetting and Sub-Awards and Procurement, Internal Controls, Compliance with Terms of Award and Applicable Law and Regulations and National Technical Assistance (NTA), Cost Sharing, Application of Correct Indirect Cost Rates, and Review of Corrective Action Performed on Prior Audit Recommendations.

United State Department of Agriculture (“USDA”)

SSAE 18 Reviews – Mia had assisted on the SSAE 18 audit for the United States Department of Agriculture, Office of Chief Financial Officer, to audit the internal controls surrounding the Financial Management Services. Duties include assisting in the completion of audit workpapers and preparation of audit report.

Center of Medicare and Medicaid Services (“CMS”)

Program Audits – Mia fills the role of Part C Organization Determinations, Appeals and Grievances Team Member on the CMS audit team for Program Audits conducted on behalf of CMS. The audits focus on Compliance Program effectiveness; Part C Organization Determinations, Appeals and Grievances; Part C Access (Complaints); Part D Formulary Administration; Part D Coverage Determinations, Appeals and Grievances; and Special Needs Plans Model of Care.

California Public Employees’ Retirement System (“CalPERS”)

Mia has performed the agreed-upon procedure engagement for CalPERS on their real estate portfolio. The engagement is to review the incentive fee claimed by the portfolio manager to ensure it is in agreement with the terms of the contract and the AUP is performed in accordance with attestation standards established by AICPA.

California State Teachers’ Retirement System (“CalSTRS”)

Mia performed numerous compliance reviews on investment managers and property managers on behalf of CalSTRS to ensure that they are complying with applicable contracts, policies, and guidelines. Duties included performing audit field work, preparation of workpapers, presenting findings to management, and preparation of reports.

Los Angeles County Employees’ Retirement Association (“LACERA”)

Mia worked on the financial and compliance audit for LACERA in accordance with AICPA. Mia performs the financial compliance audit on one of its real estate portfolios, Heitman, which has an investment if real estate at a fair market value of \$676 million. These audits are performed according to Accounting Principles Generally Accepted (GAAP) in the United States of America.

Southern California Regional Rail Authority (“SCRRA”)

Mia led pricing reviews covering the financial stability, financial system adequacy, and reasonableness of costs proposed. The scope of the AUP included performing price analysis on proposals received from various contractors and subcontractors, including proposed direct labor rates, proposed overhead rates, annual escalation, and other direct costs. Responsibilities included creating/updating work paper templates, conducting price analysis, and preparing and reviewing work papers.

APPENDIX A – RESUMES OF KEY PERSONNEL

Mariana Beuchat, CPA, CGMA, Subject Matter Expert

Mariana Beuchat, CPA, CGMA is a Manager of Federal audit services, has considerable audit experience with various federal government agencies and not-for-profit organizations. She is fluent in Spanish and has over 15 years of experience of IT and Internal Control experience in performing SOC I, Type II Examination in accordance with SAS 70/SSAE 16/SSAE 18/SSAE 21 standards for Centers for Medicare and Medicaid Services and its fiscal intermediaries. She also has extensive managing experience in Federal audits including CMS's Medicare Advantage and Prescription Drug ("MADP") examinations and program compliance audits and other internal control and compliances audits. Ms. Beuchat has extensive knowledge of *Government Auditing Standards*, OMB, the FAR, and CFR. Ms. Beuchat served as the Audit Manager, on our current and previous contracts with SIGAR and USAID for performance of cost incurred audits.

Employment History

Conrad LLP: Manager – June 2014 to present

The Irvine Company – Senior Internal Auditor – December 2012 to May 2014

Mayer Hoffman McCann, PC: Supervising Senior – October 2008 to November 2012

Gelman LLP: Staff Accountant – December 2006 to August 2008

CliftonLarsonAllen LLP (Formerly, White Nelson Diehl Evans LLP): Accountant – January 2004 to May 2005

Education

Bachelor of Arts in Business Administration, with an emphasis in Accounting and Finance
California State University, Fullerton

Professional Certifications

Certified Public Accountant, State of California, No. 114518

Chartered Global Management Accountant

Experience

Ventura County Transportation Commission ("VCTC")

Mariana is the audit manager for VCTC to perform financial statement audits on VCTC, the various cities, and counties receiving Transportation Development Act and related funding from the County. These audits were conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and GAGAS. Mariana has been managing these engagements from 2015 to-date. Mariana is the subject matters expert on the current VCTC contract.

San Bernardino County Transportation Authority ("SBCTA")

Marina has managed numerous compliance audits conducted on behalf of the SBCTA. The on-call work includes pre-award pricing reviews based on Contract Task Orders issued, which cover financial stability, financial system adequacy, and reasonableness of costs proposed by prime and subcontractors on SBCTA construction projects, agreed upon procedures on internal controls, Measure I Ordinance compliance, etc. Mia was also the In-Charge auditor on the SBCTA TDA and Measure I audits.

Special Inspector General for Afghanistan Reconstruction ("SIGAR")

Ms. Beuchat has served as the Audit Manager on a contract to perform cost incurred audits on behalf of SIGAR. The funding agency included in the scope of these audits was USAID. The audit objectives for this audit were Special Purpose Financial Statements, Internal Controls, Compliances, and Review of Prior Audit Findings and Recommendations.

APPENDIX A – RESUMES OF KEY PERSONNEL

Center for Medicare and Medicaid Services (“CMS”)

Ms. Beuchat has in-charged various SOC I, Type II examinations in accordance with SAS 70/SSAE 16/SSAE 18 standards for various medical intermediaries and other service organizations. Duties included reviewing staff working papers, providing assistance to staff with a review approach, developing solutions to various issues as they arose, and writing findings and required corrective action. In addition, she reviewed internal controls to ensure they were within the regulatory guidelines.

Department of Justice (“DOJ”)

Ms. Beuchat has worked as an In-Charge Auditor for the financial and compliance audits conducted on behalf of the DOJ on Chapter 12 standing trustees in accordance with Handbook for Chapter 12 Standing Trustees, the Qualifications and Standards for Standing Trustees, other appropriate policy memoranda which may be periodically issued by the Executive Office for United States Trustees. Mariana has been doing these audits since 2021. Two reports are issued on the Chapter 12 Trustees. The first is an agreed-upon procedure (AUP) report which covers the compliance of the Chapter 12 program is performed based on attestation standards established by the American Institute of Certified Public Accountants (AICPA). The other is the Annual Report performed in accordance with auditing standards generally accepted in the United States of America.

California Public Employees’ Retirement System (“CalPERS”)

Ms. Beuchat was an Audit Manager for CalPERS to provide agreed-upon procedures on their real estate portfolio. The engagement is to review the incentive fee claimed by the portfolio manager to ensure it is in agreement with the terms of the contract and the AUP is performed in accordance with attestation standards established by AICPA. Mariana managed these engagements from 2008 through 2015.

California State Teachers’ Retirement System (“CalSTRS”)

Ms. Beuchat was an Audit Manager for CalSTRS to provide agreed-upon procedures on their real estate portfolio. The engagement is to review on-site operations and financial records to ensure the property manager and advisor is performing in agreement with the terms of the management contract and the AUP is performed in accordance with attestation standards established by AICPA. Mariana managed these engagements from 2008 through 2015.

Los Angeles County Employees’ Retirement Association (“LACERA”)

Ms. Beuchat was an Audit Manager for LACERA to perform financial and compliance audits and agreed-upon procedure engagements. The financial and compliance audits are performed in accordance with AICPA. Mariana performs the financial compliance audit on one of its real estate portfolios, Heitman, which has an investment in real estate at a fair market value of \$676 million.

Southern California Regional Rail Authority (“SCRRA”)

Mariana was the audit manager on three large Cost Analysis AUP engagements performed on behalf of SCRRA in 2020. Each cost proposal had five prime contractors and around 100 subcontractors/consultants and the engagement covered the review of fully burdened direct labor, escalation, indirect cost rate and other direct costs. The AUPs are conducted in accordance with AICPA guidelines.

Pacific Railway Enterprises, Inc. (“PRE”)

Mariana was the audit manager for the indirect cost rate audit performed for PRE in accordance to GAAS and GAGAS. The audit is to ensure the IDC Calculation is in accordance with Part 31 of the FAR and AASHTO guidelines. PRE is an engineering firm that specializes in railroad signal and communications systems design, field surveys, inspection, testing and commissioning, vital processor software development, simulation and rack testing, material procurement and cost estimating, project management, construction management, and design support during construction.

APPENDIX A – RESUMES OF KEY PERSONNEL

In-Charge Auditors

In-Charge Auditors on the proposal are Angela Nguyen, Danielle Kuns, and Christine Keleman.

Christine Keleman, Senior Associate, has worked on the VCTC TDAs since 2018. Angela Nguyen, Senior Associate, has worked on the VCTC TDAs since 2020. Danielle Kuns, Senior Associate, has worked on the VCTC TDAs since 2021.

APPENDIX B – Peer Review

ASM issued its first audit report on June 26, 2023. Based on AICPA Peer Review Program, the firm is not required to undergo a peer review until October of 2024. As such, we can provide you with the peer review report at the end of the year, on the completion of review. In addition, we would like to emphasize that the Partners at ASM are also the key members in the management team at Conrad and the engagements selected by the peer review were managed by the two partners and we received unqualified opinion of the selected engagements and the peer review report. This will bring more assurance that ASM will be very confident in receiving the same results during our peer review.

APPENDIX C – Attachment B

APPENDIX C – ATTACHMENT B

| Cost Proposal – Fiscal Year ending June 30 | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|
| Service | 2023/2024 | 2024/2025 | 2025/2026 | 2026/2027 | 2027/2028 |
| Total Audit Fees, not to exceed | \$ 240,500* | \$ 247,715* | \$ 255,150* | \$ 262,800* | \$ 270,685* |
| Cost per additional audit, if applicable | \$5,200 | \$5,360 | \$5,520 | \$5,680 | \$5,850 |
| Additional Services, if needed by labor category per hour | | | | | |
| Partner | \$202.23 | \$208.09 | \$214.13 | \$220.33 | \$226.72 |
| Manager | \$165.92 | \$170.74 | \$175.69 | \$180.79 | \$186.03 |
| Staff | \$129.63 | \$133.39 | \$137.26 | \$141.24 | \$145.34 |
| Admin | \$100.31 | \$103.22 | \$106.22 | \$109.30 | \$112.47 |

Note: *Audit fee, not to exceed includes reimbursable travel costs.

| Hour Estimate by Year | | | | | |
|------------------------------|------------------|------------------|------------------|------------------|------------------|
| Service | 2023/2024 | 2024/2025 | 2024/2026 | 2026/2027 | 2027/2028 |
| Partner | 300 | 280 | 280 | 280 | 280 |
| Manager | 500 | 470 | 470 | 470 | 470 |
| Senior/ Staff | 1,050 | 1,000 | 1,000 | 1,000 | 1,000 |
| Administrative | 0 | 0 | 0 | 0 | 0 |
| Other (specify) | 0 | 0 | 0 | 0 | 0 |
| Total Hours | 1,850 | 1,750 | 1,750 | 1,750 | 1,750 |

APPENDIX D – Attachment C

APPENDIX D – ATTACHMENT C

Attachment C - Certification Regarding Debarment, Suspension and Other Ineligibility and Voluntary Exclusion

The firm of ASM LLP certifies by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by a Federal department or VCTC. The above agency further certifies or affirms the truthfulness and accuracy of the contents of the statements submitted on or with this certification and understands that the provisions of 31 U.S.C. Section 3801 et. Seq. are applicable thereto.

Where the agency is unable to certify any of the statements in this certification, such Participant shall attach an explanation to this proposal.



Authorized Official

Managing Partner

Title of Authorized Official

February 7, 2024

Date

APPENDIX E – Attachment D

APPENDIX E – ATTACHMENT D

Attachment D - Worker's Compensation Insurance Certification

As required by Section 1860 of the California Labor Code (Chapter 1000, Statutes of 1965), the Contractor shall secure the payment of Workers' Compensation to its employees in accordance with the provisions of Section 3700 of the California Labor Code and shall furnish VCTC with a certificate evidencing such coverage together with verification thereof as follows:

"I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this Contract."



Authorized Official

Managing Partner

Title of Authorized Official

February 7, 2024

Date

APPENDIX F – Compliance Certifications

APPENDIX F – COMPLIANCE CERTIFICATIONS

Equal Employment Opportunity Act

ASM LLP is in compliance with the Equal Employment Opportunity Act and does not discriminate against anyone.

California Fair Employment Practices Act

ASM LLP is in compliance with the California Fair Employment Practices Act and does not discriminate against anyone.

Title VI of the Civil Rights Act of 1964

ASM LLP is in compliance with Title VI of the Civil Rights Act of 1964 and does not discriminate against anyone.

APPENDIX G – Insurance Coverage

A copy of the certificate will be provided on signing of the contract.