

**State Contractor Approved Vendor List:
Financial & Accounting Services**

Contract ID	Contractor Name	Phone	Name	Email	On 2016 State List (# of Govnt Entities)	Emailed?	Interest?	Comments
MA3002	Litz & Company	801.825.4100	Brent Litz	litzcocpa@aol.com	Roy (5)	Yes	N/A	Original email bounced Resent to correct email No response
MA2999	Keddington & Christensen	801.590.2600	Steven Rowley	steve@kccpaoffice.com	West Valley City (25)	Yes	Yes	Emailed packet 8Dec22
MA2993	Apex West Accounting Services	(385)-439-0500	Joshua Spilker	josh@apexwest.com	Kaysville (Not on list)	Yes	No	Email bounced
MA3008	Wiggins & Co., P.C.	801.565.7135	Scott Wadman	swadman@wigginscpa.com	Brigham City (11)	Yes	N/A	No Response
MA3009	Carver Florek & James Cpa'S	801.926.1177	Jason Lund	jason@cfjcpa.com	Layton (Not on list)	Yes	Yes	Emailed packet 8Dec22 NO PROPOSAL
MA3007	Stratton & Miller Cpa'S	801.678.9075	William Miller (801)-419-6089 cell	bill@b2acpa.com	Woods Cross (Not on list)	Yes	Yes	Emailed packet 8Dec22 NO PROPOSAL
MA2996	Gilbert & Stewart Cpa	801.377.5300	James Gilbert	jgilbert@gilbertandstewart.com rstewart@gilbertandstewart.com	Provo (27)	Yes	N/A	No Response
MA3006	Squire & Company	801.533.0409	Matthew Geddes	mattg@squire.com jasonw@squire.com	SLC (84)	Yes	Yes	Emailed packet 8Dec22



January 13, 2023

Independent Audit Services Proposal

DAVIS-SALT LAKE AERIAL SPRAY AUTHORITY

Prepared by:
Matthew A. Geddes, CPA



www.squire.com | 801.225.6900 | Orem: 1329 S 800 E | Salt Lake: 215 South State Street, Suite 850

DAVIS-SALT LAKE AERIAL SPRAY AUTHORITY
Financial Audit Services Proposal
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January 13, 2023

Davis-Salt Lake Aerial Spray Authority
Attn: Ary Faraji, Executive Director
Salt Lake City, Utah

We are pleased that Davis-Salt Lake Aerial Spray Authority (the Authority) is considering Squire & Company, PC (Squire) to provide financial audit services to the Authority for the year ending December 31, 2022. Our proposal is provided with this letter.

Listed below are highlights of items of interest about Squire:

- Squire is a member of the AICPA Center for Audit Quality and a member of the AICPA Governmental Audit Quality Center.
- We provide financial audit services for many local governments throughout Utah. We currently audit Salt Lake County and Summit County, the City of South Salt Lake, nineteen school districts, municipal golf courses, special service districts, local districts, metropolitan water districts, commissions, and other local governments.
- We are members of the Utah Association of Special Districts.
- We are actively involved in training and supporting local governments in implementing new accounting and reporting standards.
- We assist several governments in ensuring their Annual Comprehensive Financial Reports qualify for GFOA's certificate of excellence award program.
- Our governmental audit teams are well trained, attend annual governmental training and updates, and have the capacity to audit the Authority in a timely manner.
- Supplemental consultation is available to the Authority throughout the year at no additional fee.

An important question one might ask is whether Squire has the capacity and energy to provide exceptional services for each client served by the firm on a consistent and ongoing basis. The answer is in the affirmative. Our firm has enjoyed steady growth through its 49-year existence. Most of our team members are licensed certified public accountants, have earned master degrees in accounting, and obtain over 80 hours of continuing professional education each year.

We have been successful in planning, scheduling, supervising, and completing each audit engagement undertaken in the past. Our commitment will continue for each of our clients. We make that same commitment to the Authority.

Our experience with similar governmental entities (in addition to the availability of our staff) allows us to give the Authority the professional service needed to comply with accounting, auditing, and reporting standards. We desire to be a valued resource to the Authority.

A handwritten signature in dark ink that reads "Squire & Company, PC". The signature is written in a cursive, flowing style.

Squire & Company

A. PROFILE OF THE INDEPENDENT AUDITOR

Since 1973, Squire, a firm of certified public accountants with locations in Orem and Salt Lake City, Utah, has provided a full range of professional services in auditing, accounting, and taxes, as well as information technology and management advisory services for a variety of industries and entities throughout the United States of America and internationally. We perform over 200 audits annually, including over 100 audits performed in accordance with *Government Auditing Standards*.

Personnel consist of 78 certified public accountants. Our current professional and support staff is summarized as follows:

	Total Personnel
Partners	27
Directors and managers	30
Professional accountants	65
Interns and seasonal	20
Secretaries and administrators	25
Total personnel	167

All of the certified public accountants at Squire are currently licensed to practice in the State of Utah. We certify that neither our firm nor its principals are presently debarred, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this engagement by any governmental department or agency.

In relation to the Authority, our firm meets the independence requirements of the American Institute of Certified Public Accountants and *Government Auditing Standards*, as revised.

Our auditors responsible for planning, directing, conducting, or reporting on government engagements have completed annually over 40 hours of continuing education and training with at least 12 of those hours in subjects directly related to the government environment and to government accounting and auditing.

Squire has an appropriate internal control system in place and participates in an external quality control review program. Our established internal quality control system provides reasonable assurance that we have established, and are following, adequate audit policies and procedures and have adopted, and are following, applicable audit standards. Also, every three years, we undergo an external quality control review that determines that our internal quality control system is in place and operating

We are freely accessible to Authority personnel throughout the year and will be able to respond quickly to requests.

Address:
1329 South 800 East
Orem, UT 84097

Telephone:
(801) 225-6900

Facsimile:
(801) 228-2118

Your contacts:

Matthew A. Geddes, CPA
mattg@squire.com
(801) 494-6003

Kyle A. Greene, CPA
kyleg@squire.com
(801) 494-6065

Kirsten LaKose
(Administrative Assistant)
kirstenl@squire.com
(801) 225-6900



effectively and established policies and procedures and applicable audit and accounting standards are being followed in our audit engagements. Certain government audits are included in the selection of engagements that were reviewed during these inspections.

Our most recent quality control letter received at the conclusion of our most recent peer review (conducted July 2021) is included as Schedule A. The results of our most recent peer review is also located in the public file at www.aicpa.org.

Squire is a member of the Governmental Audit Quality Center (GAQC) of the American Institute of Certified Public Accountants. The audit quality center provides training, alerts, and keeps us informed of government audit, accounting, and reporting developments. Squire has established policies and procedures specific to the firm's governmental audit practice to comply with GAQC membership requirements.

Squire has been subject to certain routine reviews of its audit practice or specific government audits performed by our firm. These reviews included a visit by the Utah State Auditor's Office in July 2013 and the U.S. Department of Education in November 2012. We certify that the firm has had no disciplinary action or pending against it during the past five years.

SQUIRE AWARDS

Squire has been Utah's trusted accounting partner for nearly 50 years. We work hard to develop relationships with our clients—and that trust leads to success. We're consistently named one of the top companies to work for in Utah, as well as an outstanding provider of tax, audit and advisory services.



B. QUALIFICATIONS

PROJECT TEAM

The professionals directly assigned to work on this engagement include the following:



Matthew A. Geddes, CPA – Engagement Audit Partner

Matt joined the firm in 2008 shortly after receiving a master of accountancy degree from Utah State University. He is involved in managing audits of for profit entities, local governments, and employee benefit plans. Matt's primary area of emphasis is providing audit and related services to local government entities. Recently, Matt volunteered to serve as a lead adopter to the AICPA's Single Audit Certificate and was among the first in the nation to be awarded a certificate which demonstrates his technical expertise in performing single audits in accordance with *Uniform Guidance*. He is a member of the Government Finance Officers Association (GFOA). Matt is also a member of the American Institute of Certified Public Accountants and the Utah Association of Certified Public Accountants.



Kyle A. Greene, CPA – Engagement Quality Control Audit Partner

Kyle joined the firm in 2010 after receiving his master of accountancy degree from Brigham Young University. Kyle has been involved with the audits of government, nonprofits, and for-profits entities. Kyle's primary area of emphasis is providing audit and related services for government entities, including school districts and special service districts.

Kyle is a certified public accountant and a member of the American Institute of Certified Public Accountants, Government Finance Officers Association (GFOA), and the Utah Association of Certified Public Accountants.

Other Professional and Support Staff

Staff members (who have governmental accounting and auditing experience) will be assigned to perform certain tasks according to the degree of responsibility involved and the experience level necessary, as follows:

Thomas Hezseltine, CPA – Manager
Courtney Booke, CPA – Senior Accountant
Kirsten LaKose – Administrative Assistant

Other staff members will be available as needed to assist with technology issues or provide consultation.

We have enjoyed a relatively low turnover rate over the past several years. Where possible, we commit to assign the same individuals (partners and managers and other supervisory personnel) to the Authority audit engagements over the next three years. We will also honor any Authority requests for changes in personnel.

RELEVANT EXPERIENCE

A significant portion of Squire’s audit practice is concentrated in the government and nonprofit industries. Squire currently has four partners managing an additional 14 accountants working year-round on government and nonprofit organization audits and related services.

The number of audits performed by Squire continues to increase annually as more government and nonprofit entities select Squire to serve in this important role. You will note that many of the government and nonprofit entities, listed below, have selected Squire as their auditor for many years. Squire continues to be selected as the auditor through the bid process because these entities recognize the value we provide to them.

We have assisted our governmental audit clients in the implementation of new accounting and reporting standards. We have also provided training and resources for many other governments throughout the state to implement standards as they become effective.

Seven of the governments audited by Squire participate in GFOA’s Certificate of Achievement for Excellence in Financial Reporting. These clients have not only benefited from receiving the certificate for each year, but also have received relatively few review comments from the review process each year. We assist our clients in responding to review comments and carefully compare the annual comprehensive financial reports to the GFOA checklists and current AICPA, GASB, federal, and state accounting reporting standards to ensure compliance with disclosure requirements. Those clients participating in GFOA’s Certificate of Achievement for Excellence in Financial Reporting include the following:

Client	Location	Contact	Phone	Years of Engagement	Years of Award
Salt Lake County	Salt Lake City, Utah	Shanell Beecher	385-468-7102	13	1985 - 2020
Alpine School District	American Fork, Utah	Steve Reese	801-610-8480	33	1982 - 2021
Canyons School District	Sandy, Utah	Leon Wilcox	801-826-5340	11	2010 - 2021
Davis County School District	Farmington, Utah	Tim Leffel	801-402-5234	19	1981 - 2021
Granite School District	Salt Lake City, Utah	Chris Lewis	385-646-4300	17	1992 - 2021
Jordan School District	Sandy, Utah	John Larsen	801-567-8148	23	1986 - 2021
Salt Lake City School District	Salt Lake City, Utah	Alan Kearsley	801-578-8334	22	1975 - 2021

Squire submits more reports to the Office of the Utah State Auditor than any other firm. Squire serves over 70 government and nonprofit entities annually whose financial statements must be audited in accordance with *Government Auditing Standards*. A partial list of these clients is included as Schedule B.

We would encourage you to contact any of the entities listed to learn about their experience with Squire. These individuals can provide you with a unique perspective about the experience, knowledge, professionalism, and service Squire’s governmental audit team provides.

WHAT SQUIRE CLIENTS ARE SAYING



“Because governmental accounting is so specialized, it is critical that an auditor not only understands, but is fluent in the technical accounting concepts and issues surrounding governments. Squire has that expertise and the amount of partner time and attention they provide is unrivaled. Our accounting has improved tremendously from their recommendations over the years and we have benefited greatly from their experience and expertise. Squire’s knowledge of governmental accounting and auditing is unmatched in the local audit community.”

—Shanell Beecher, Salt Lake County



“Squire & Company has been our auditor for over 20 years. We have found their service to be timely, accurate and extremely helpful in keeping us current with GASB standards. Most importantly however, their professionalism in their interactions with us and our employees has been exceptional. They have truly added value to our organization far beyond an audit opinion.”

—Tim Leffel, Davis School District

C. AUDIT APPROACH

We will work closely with Authority accounting personnel in planning and conducting the audit. We will also work with Authority management to identify specific areas to emphasize in order to obtain the desired level of audit coverage in those areas.

We will audit the financial statements of Davis-Salt Lake Aerial Spray Authority for the year ending December 31, 2022. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the provisions contained in the *State Compliance Audit Guide*.

We use practice aids developed to provide an efficient, technically sound audit approach for local governments. We will tailor our audit to address the risks associated with your individual audit; a risk assessment approach provides a method to identify higher-risk areas so that audit effort can be focused on those areas.

Our audit approach can be divided into the following broad steps:

Perform procedures regarding acceptance/continuance of the client relationship, evaluate compliance with ethical requirements (including independence), and establish an understanding with the client in an engagement letter.

Establish planning materiality for each opinion unit and perform risk assessment procedures to gather information about the government and its environment that may be relevant in identifying risks of material misstatement of the financial statements. In accordance with the AICPA Audit and Accounting Guide for State and Local Governments, multiple measures of materiality for an individual opinion unit will be used and a lower materiality level will be established for particular items.

Gather the information to understand and evaluate the design and implementation of the government's internal control system.

Synthesize the information gathered, identify risks (both overall and specific) that could result in material misstatement of the financial statements, and develop an overall audit strategy for each audit area (for example, substantive procedures or a combined approach of substantive procedures and tests of controls).

Assess the risks of material misstatement of the government's financial statements.

Develop and perform appropriate responses (further audit procedures) to the assessed risks of material misstatement of the financial statements considering the overall audit strategy and planning materiality. These audit procedures will include tests of transactions (revenues, receipts, disbursements, purchasing, payroll, adjustments, and inventories), summaries, estimates, and disclosures.

Evaluate audit findings and evidence.

Prepare required reports and communications.

PROPOSAL TO PROVIDE AUDIT SERVICES

We work as a team on our audit engagements and involve you in the process to ensure you are satisfied with our approach and the results of the audit. We communicate with management continually throughout the process to ensure the audit progresses efficiently and questions are resolved quickly. We do not plan to use the services of specialists in our audit.

It is customary for a firm partner or manager to be on site with our audit teams for most audit procedures. This practice facilitates our supervision of the engagement and also allows decisions to be made readily during the audit process.

Reporting standards require the Authority to include management's discussion and analysis (MD&A) with the financial statements. This and other required supplementary information (RSI) will be subject to certain procedures, consisting primarily of inquiry and comparisons. Our report will include our consideration of the RSI. We are also available to advise the Authority in the preparation of the MD&A.

We will communicate to management matters and issues as outlined in AICPA Professional Standard AU-C, Section 260, *The Auditor's Communication with Those Charged with Governance*. This will be in the form of a letter and will be delivered at the completion of our audit.

In addition to the reports required by *Government Auditing Standards*, and the *State Compliance Audit Guide*, we may prepare a letter to management that will include deficiencies, findings, and recommendations relative to internal controls, compliance with laws and regulations, as applicable, and adherence to generally accepted accounting principles that are not required to be communicated elsewhere. The letter will include the status of prior-year comments and the written responses from the Authority for each recommendation.

D. TIME REQUIREMENTS

Upon your approval, we plan to perform our audit as follows:

Activity	Timing
Planning	February
Testing of transactions and accounts	March
Drafting of financial and other reports	April
Report delivery	May

E. FEES

Based upon our knowledge of the Authority, our review of Authority financial information and reports and our experience with similar engagements, we anticipate approximately 60 hours will be required to complete the audit for the year ended December 31, 2022.

Our fee for the audit and related services will be \$12,000 for the year ended December 31, 2022.

We anticipate that we will provide audit services for the following five years. For those years, we will maintain our fee with an annual cost-of-living increase. Accordingly, our fees for the subsequent audit years will be as follows:

Year Ending December 31,	Fee
2022	\$ 12,000
2023	12,600
2024	13,200
2025	13,800
2026	14,400

Our proposal anticipates moderate growth and no substantial changes in the Authority, audit and accounting and reporting standards, or major federal and state awards. Our fee includes travel and other audit-related costs. Any increase in the audit fee will be immediately disclosed to the Authority Administrator.

Other accounting services and consultation are available upon your written approval at our standard rates or at a negotiated fee.

F. ADDITIONAL INFORMATION

Non-discrimination Clause

We affirm that Squire & Company, PC does not discriminate against any individual because of race, religion, sex, color, sexual orientation, gender identity, age, disability, or national origin, and that these shall not be a factor in consideration for employment, selection for training, promotion, transfer, recruitment, rates of pay, or other forms of compensation, demotion, or separation.

Conflict of Interest

We affirm that none of our officers, employees, or immediate family members of officers and employees is or has been an elected official, employee, board member, or commission member of the Authority or its affiliates. We have not provided any compensation in any form, whether directly or indirectly, to an elected official, board member, or commission member of the Authority or its affiliates.

Professional Liability and Workers Compensation Insurance Coverage

We certify that we have, and will continue to obtain, adequate professional liability and workers compensation insurance coverage.

Record Retention

We will retain copies of all audit working papers, audit programs, time control records, and reports for a period of at least six years after completion of related services and such records are available for inspection by the Authority and oversight agencies, as requested.

Debarment

We certify that neither our firm nor its principals are presently debarred, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this contract by any governmental department or agency.

Other Services

The Authority will have access to all the professionals and the resource library at Squire. In addition, we stand ready to assist the Authority in implementing new accounting and regulatory standards as they become effective.

Our Commitment

Our goal is to do a little more than our clients expect. We trust this proposal meets your expectations. We know we can provide a quality product while giving the Authority the personal and professional attention it seeks.



REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

July 6, 2021

To the Shareholders of
Squire & Company, P.C.
and the Peer Review Committee of the Nevada Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Squire & Company, P.C. (the firm) in effect for the year ended December 31, 2020. 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 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 a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with 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 in conformity with 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 the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans, and an examination of a service organization SOC 2 engagement.

As a 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.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Squire & Company, P.C. in effect for the year ended December 31, 2020, 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*. Squire & Company, P.C. has received a peer review rating of *pass*.

A handwritten signature in black ink that reads "Watson Coon Ryan, LLC". The script is cursive and fluid, with the letters connected. The "W" is large and prominent, and the "LLC" is written in a smaller, more compact style at the end.

Watson Coon Ryan, LLC

Davis-Salt Lake Aerial Spray Authority
Schedule B - Partial List of Current Government Audit Clients

Client	Location	Contact	Phone	Years of Engagement
Counties/Municipality:				
Salt Lake County	Salt Lake City, Utah	Shanell Beecher	385-468-7102	13 *
Summit County	Coalville, Utah	Michael Howard	435-336-3254	3 *
City of South Salt Lake	Salt Lake City, Utah	Crystal Makin	801-483-6000	4
Other Governments:				
Fox Hollow Golf Course	American Fork, Utah	Jaxson Taylor	801-756-3594	20
Metropolitan Water District of Orem	Orem, Utah	Ruth Ann Ivie	801-221-0837	18
Metropolitan Water District of Salt Lake and Sandy	Cottonwood Heights, Utah	Annalee Munsey	801-942-9623	1
Southern Utah Valley Power Systems	Springville, Utah	Blake Anderson	801-465-9273	17
Timpanogos Special Service District ¹	American Fork, Utah	Richard Mickelsen	801-756-5231	16 *
Greater Salt Lake Municipal Services District	Salt Lake City, Utah	Marla Howard	385-468-6677	1 *
School Districts:				
Alpine School District	American Fork, Utah	Rob Smith	801-610-8480	33
Box Elder School District	Brigham City, Utah	David Roberts	435-734-4800	1
Canyons School District	Sandy, Utah	Leon Wilcox	801-826-5340	11
Daggett County School District	Manila, Utah	Bruce Northcott	435-784-3174	5
Davis County School District	Farmington, Utah	Tim Leffel	801-402-5234	19
Garfield County School District	Panguitch, Utah	Lane Mecham	435-676-1302	7
Grand County School District	Moab, Utah	Pat Wilson	435-259-5317	11
Granite School District	Salt Lake City, Utah	Chris Lewis	385-646-4300	17
Jordan School District	Sandy, Utah	John Larsen	801-567-8148	23
Juab County School District	Nephi, Utah	Darin Clark	435-623-1940	17
Kane County School District	Kanab, Utah	Cary Reese	435-644-2555	3
Logan City School District	Logan, Utah	Jeff Barben	435-755-2300	2
Murray City School District	Murray, Utah	Richard Reese	801-264-7400	20
Park City School District	Park City, Utah	Randy Upton	435-615-0226	36
Salt Lake City School District	Salt Lake City, Utah	Alan Kearsley	801-578-8334	22
Sevier County School District	Richfield, Utah	Chad Lloyd	435-896-8214	9
Tooele County School District	Tooele, Utah	Lark Reynolds	435-833-1900	17
Wayne County School District	Bicknell, Utah	Tyler Newton	435-515-3813	6
Weber County School District	Ogden, Utah	Robert Petersen	801-476-7841	7

This list represents some of the local government clients served currently by Squire.

Squire also provides audit services to about 50 charter schools, 10 nonprofit organizations, and 10 other entities in addition to those listed above whose audits are performed in accordance with *Government Auditing Standards*, Uniform Guidance, and the *State Compliance Audit Guide*.

* December year-end. All other governments on this list have a June 30 year-end. School district audits are due to the state on November 30.

¹Sewer Facility

**DAVIS-SALT LAKE AERIAL
SPRAY AUTHORITY**

PROPOSAL

for

FINANCIAL AUDIT SERVICES

For the Years Ended
December 31, 2022 – 2026



CERTIFIED PUBLIC
ACCOUNTANTS

Gary K. Keddington, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

Letter of Transmittal

To the Board of Trustees of the
Davis-Salt Lake Aerial Spray Authority
2215 North 2200 West
Salt Lake City, Utah 84416

We are excited to provide this proposal for your consideration! We are a local firm that specializes in governmental audits. We have read through the most recent financial survey submittals, and most recent agreed-upon reports and can confidently say that we have the necessary expertise to provide the quality audit services you need. We have recently been awarded the audit for Salt Lake Mosquito Abatement District, which will provide some efficiencies in performing both audits. This proposal factors in those anticipated efficiencies with a discounted fee.

As a firm, we currently provide audit services to 42 governmental entities, and provide consulting services for another 18 governmental entities. We are confident that we have the necessary skills and experience to provide Davis-Salt Lake Aerial Spray Authority (DSLASA) with the financial audit services it requires. As you will see later in this proposal, we have extensive experience in governmental auditing. In fact, approximately 80% of our clients are governmental entities of one type or another, whether they be special districts, cities, or interlocal entities.

Our firm is dedicated to providing quality audit services at a fair and reasonable price. We hope that as you read our proposal for audit services that you will find that we are the best selection to provide audit services to DSLASA.

Again, we are excited for this opportunity and look forward to hearing from you.

K&C, CPAs

K&C, Certified Public Accountants
Salt Lake City, Utah

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A. Profile of K&C, Certified Public Accountants

1. Organization and size

KCHM, LLC, dba K&C, Certified Public Accountants is a limited liability company, with seven CPA's and seven professional and support staff. We are a local certified public accounting firm, which operates primarily in the Utah area, specializing in providing audits and other assurance services.

2. Location, Size, and Staff by Level of K&C, Certified Public Accountants

Our office is located at 1455 West 2200 South, Suite 201 in Salt Lake City, Utah. We currently have three partners, three managers, and eight professional and support staff.

All our partners and professionals have experience in performing governmental audits. We are a certified public accounting firm specializing in providing audits and other assurance services. We have a large governmental practice. We can confidently state that we have dealt with all the various financial and operational areas of your organization.

Our audit partners, managers, and seniors have worked together as a team for many years. In fact, all our partners have been working together for a minimum of twelve years, with some of our team members working together for over 25 years. We specialize in providing audits and other assurance services. Our partners, managers and staff have always emphasized the need for prompt responses to our clients' needs in achieving their goals and objectives. We have structured our firm in a way that allows our clients easy access to the partner or manager responsible for their engagement.

3. Affirmative Statements

- a) We affirm that we are properly licensed to practice as certified public accountants in the State of Utah (firm license #8199214-2603).
- b) We affirm that we meet the independence requirements as defined by the AICPA's Rule 101 and *Government Auditing Standards*.
- c) We affirm that we meet the continuing professional education and external quality control review requirements contained in the *Government Auditing Standards*.

4. Peer Review

A copy of our most recent peer review report can be found on the following pages.

Report on the Firm's System of Quality Control

October 7, 2019

To the Partners of Keddington & Christensen
and the Peer Review Committee of the Nevada Society
of Certified Public Accountants.

We have reviewed the system of quality control for the accounting and auditing practice of Keddington & Christensen (the firm) in effect for the year ended April 30, 2019. 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 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 a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with 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 in conformity with 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 the system of quality control and the firm's compliance therewith 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 audits of employee benefit plans.

As a 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.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Keddington & Christensen in effect for the year ended April 30, 2019, 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. Keddington & Christensen has received a peer review rating of pass.



Deaton & Company, Chartered

B. K&C's Qualifications

1. Qualifications of Audit Staff

We anticipate performing the Davis-Salt Lake Aerial Spray Authority's (DSLASA) audit with the following partners, managers, and staff:

Steven Rowley, CPA – Audit Partner (12 years of experience)

Mr. Rowley graduated with a bachelor's degree in Accounting (Magna Cum Laude) in 2008 from Southern Utah University. Mr. Rowley then went on to earn a Masters of Accounting in April 2010 and a Masters of Business Administration in December 2010 from Southern Utah University. Mr. Rowley joined Jensen & Keddington in December 2010. In 2012, he was invited to join the firm K&C, Certified Public Accountants. In 2014, Mr. Rowley was promoted to audit manager, in 2017 he became a partner.

Mr. Rowley is licensed as a CPA in Utah. He attends continuing education each year related to auditing governmental entities and audits in accordance with Uniform Guidance offered by the Utah State Auditor's office, the GFOA and the UACPA. He is also a member of the GFOA, UACPA and the AICPA. Mr. Rowley currently serves as the Quality Control director in the Firm.

The following is a list of some of the governmental audits for which Mr. Rowley is the engagement partner or concurring partner, all of which are current clients:

Local and Special Service District:

- Granger-Hunter Improvement District
- Taylorsville-Bennion Improvement District
- Mount Olympus Improvement District
- Weber Basin Water Conservancy District
- Carbon Water Conservancy District
- Midvalley Improvement District
- Wasatch Integrated Waste Management
- North Pointe Solid Waste
- Timberlakes Water Special Service District
- Uintah Recreation District
- Magna Water District

Interlocal Entities:

- Central Valley Water Reclamation Facility
- South Valley Water Reclamation Facility
- Trans-Jordan Cities
- Northern Utah Environmental Resource Agency
- Lone Peak Public Safety District

Municipalities:

- West Valley City
- Logan City
- Heber City
- Bountiful City
- Highland City
- Cedar Hills City

B. K&C's Qualifications (Continued)

1. Qualifications of Audit Staff (Continued)

In addition to his auditing experience, Mr. Rowley also provides consulting services to several governmental entities:

- Salt Lake County Service Area #3 (special service district)
- Grantsville City
- Town of Stockton
- Town of Alta
- South Sanpete School District
- Morgan School District
- Gunnison Valley Police Department

Gary Keddington, CPA – Concurring Audit Partner (39 years of experience)

Mr. Keddington received his degree in Accounting from the University of Utah in 1983. Prior to joining K&C, Certified Public Accountants (formerly Jensen & Keddington) in January of 1985, Mr. Keddington worked for a Utah based regional certified public accounting firm. Mr. Keddington became a partner in the firm in January 1989. Mr. Keddington has over 35 years of providing auditing and consulting services to governmental entities.

Mr. Keddington is a member of the UGFOA, AICPA and the UACPA. Currently Mr. Keddington is the outside consulting Finance Director for Manti City, Gunnison City, Moroni City, and Centerfield City; and serves on the Board of Directors for the Bountiful Irrigation District. Mr. Keddington has attended continuing education related to Government Auditing including courses and conferences offered by the Utah State Auditor's office, UGFOA, GFOA, and UACPA.

Certificate of Educational Achievement

Mr. Keddington has also received the Certificate of Educational Achievement for Governmental Accounting and Auditing issued by the American Institute of Certified Public Accountants (AICPA). This certificate represents that the recipient has taken an extensive course sponsored by the AICPA regarding governmental accounting and auditing. The recipient must also take and pass four different examinations regarding governmental accounting and auditing.

The following is a list of some of the governmental and related engagements for which Mr. Keddington was the primary partner or concurring partner, all of which are current clients:

- Cottonwood Improvement District
- South Valley Water Reclamation Facility
- Carbon Water Conservancy District
- South Davis Recreation District
- Logan City
- Bountiful City
- South Weber City
- Washington Terrace City
- Ely City, NV

B. K&C's Qualifications (Continued)

1. Qualifications of Audit Staff (Continued)

In addition to his auditing experience, Mr. Keddington also provides consulting services to the following governmental entities:

- Lindon City
- North Ogden City
- Gunnison City
- Manti City
- Moroni City
- Centerfield City
- North Sanpete Ambulance Service District
- Manti Ambulance Association

Ben Bailey, CPA – Manager (7 years of experience)

Mr. Bailey graduated with a bachelor's degree in Accounting (Cum Laude) in 2014 from Weber State University. Mr. Bailey then went on to earn a Masters of Accounting in May 2015 from Weber State University. Mr. Bailey joined K&C, Certified Public Accountants in September 2015.

Mr. Bailey has attended continuing education related to auditing governmental entities offered by the Utah State Auditor's office, and the UACPA; as well as various in-house continuing education trainings.

The following is a list of some of the governmental and related engagements for which Mr. Bailey has worked on, all of which are current clients:

- South Valley Water Reclamation Facility
- Midvalley Improvement District
- Unified Fire Service Area
- South Davis Recreation District
- Uintah Recreation District
- Bountiful City
- West Valley City
- Highland City
- South Ogden City
- Ely City, NV
- Toquerville City
- West Jordan City
- Woods Cross City

B. K&C's Qualifications (Continued)

1. Qualifications of Audit Staff (Continued)

Nathaniel Corry - Staff (3 years of experience)

Mr. Corry received his Bachelor of Science degree in accounting (summa cum laude) from Southern Utah University in May 2018. In May 2019 Mr. Corry graduated with his Master's in Accountancy from Southern Utah University with an emphasis in Public Accounting and Tax Accounting. During his time at Southern Utah University Nathaniel served on the SUUSA Finance Committee as a Fund Controller, provided academic assistance to the blind as a contractor with the Utah State Office of Rehabilitation, and worked as a Graduate Assistant to four business professors. Mr. Corry joined K&C, Certified Public Accountants in May 2019. Mr. Corry has attended continuing education related to auditing governmental entities offered by the Utah State Auditor's office, and the UACPA; as well as various in-house continuing education trainings. Mr. Corry is a member of the AICPA. Mr. Corry is currently studying for the CPA, CFE, and ICAEW exams.

The following is a list of some of the governmental and related engagements Mr. Corry has worked on, all of which are current clients.

- Central Valley Water Reclamation Facility
- South Valley Water Reclamation Facility
- Wasatch Integrated Waste Management
- Magna Water District
- Trans-Jordan Cities
- UTOPIA
- UIA
- Lone Peak Public Safety District
- Unified Fire Authority
- South Ogden City
- Washington Terrace City
- Bountiful City
- Woods Cross City

2. Recent Office Experience with Similar Audits

As you may be aware, the personnel of K&C, Certified Public Accountants have performed services for over 35 years for special districts, cities, and other governmental entities. Our recent experience related to governmental entities with similar operations to DSLASA are shown on the following page:

B. K&C's Qualifications (Continued)

Governmental Entity Name	Entity Type	Service Provided	Years Service Provided
Midvalley Improvement District	Special Service District	Audit	2010 - present
Granger-Hunter Improvement District	Special Service District	Audit	2014 - present
Cottonwood Improvement District	Special Service District	Audit	2018 - present
Taylorsville-Bennion Improvement District	Special Service District	Audit	2019 - present
Metropolitan Water District of Salt Lake & Sandy	Special Service District	Audit	2011 - 2021
Magna Water District	Special Service District	Audit	2014 - present
Carbon Water Conservancy District	Special Service District	Audit	2011 - present
Mount Olympus Improvement District	Special Service District	Audit	2019 - present
North Pointe Solid Waste SSD	Special Service District	Audit	2017 - present
South Davis Recreation District	Special Service District	Audit	2016 - present
Timberlakes Water SSD	Special Service District	Audit	2014 - present
Hurricane Valley Fire Protection Special Service District	Special Service District	Audit	2021 - present
South Summit Fire District	Special Service District	Audit	2020 - present
Uintah Recreation District	Special Service District	Audit	2009 - present
Uintah Transportation SSD	Special Service District	Audit	2019 - present
Unified Fire Service Area	Special Service District	Audit	2013 - present
Utah Telecommunication Open Infrastructure Agency	Special Service District	Audit	2010 - present
Wasatch Integrated Waste Management District	Special Service District	Audit	2015 - present
Weber Basin Water Conservancy District	Special Service District	Audit	2019 - present
South Valley Water Reclamation Facility	Interlocal Entity	Audit	2006 - present
Central Valley Water Reclamation Facility	Interlocal Entity	Audit	2018 - present
Lone Peak Public Safety District	Interlocal Entity	Audit	2012 - present
Northern Utah Environmental Resource Agency	Interlocal Entity	Audit	2016 - present
Stansbury Service Agency	Interlocal Entity	Audit	2010 - 2019
Unified Fire Authority	Interlocal Entity	Audit	2010 - present
Utah Infrastructure Agency	Interlocal Entity	Audit	2011 - present
Utah Transit Authority	Independent/Quasi State	Audit	2015 - 2019
Military Installation Development Authority	Independent/Quasi State	Audit	2020 - present
Bountiful City	Municipality	Audit	2003 - present
Brigham City	Municipality	Audit	2017 - present
Cedar Hills City	Municipality	Audit	2015 - present
Ely City, NV	Municipality	Audit	2016 - present
Heber City	Municipality	Audit	2020 - present
Highland City	Municipality	Audit	2011 - present
Lindon City	Municipality	Audit	2013 - present
Logan City	Municipality	Audit	2017 - present
Murray City	Municipality	Audit	2013 - 2018
South Ogden City	Municipality	Audit	2011 - present
South Weber City	Municipality	Audit	2016 - present
Toquerville City	Municipality	Audit	2012 - present
Washington Terrace City	Municipality	Audit	2014 - present
West Bountiful City	Municipality	Audit	2017 - 2020
West Jordan City	Municipality	Audit	2010 - present
West Valley City	Municipality	Audit	2010 - present
Woods Cross City	Municipality	Audit	2012 - present
Rich County, UT	County	Audit	2020 - present

B. K&C's Qualifications (Continued)

2. Recent Office Experience with Similar Audits (Continued)

The following are governmental entities for which we provide Finance Director or consulting services:

1. Salt Lake County Service Area #3
2. Manti City (Gary Keddington is the Finance Director)
3. Moroni City (Gary Keddington is the Finance Director)
4. Gunnison City (Gary Keddington is the Finance Director)
5. Centerville City
6. Grantsville City
7. Town of Alta
8. Town of Stockton
9. Somerton City, AZ
10. Morgan School District
11. South Sanpete School District

All the audit, attestation, and consulting services we provide to those clients listed throughout this proposal are performed in accordance with Government Accounting Standards Board (GASB), and *Government Auditing Standards* (Yellow Book) issued by the GAO. Also, all the of the audit clients listed in this proposal (except those clients in other states) also issued opinions and reports in accordance with the *State Compliance Audit Guide* issued by the Office of the Utah State Auditor.

3. Use of other Auditors

As can be seen from our experience listed above, we will not need to use other auditors to complete your audit.

C. Approach to the Audit

Scope and Objective

We will audit the basic financial statements of DSLASA as of December 31, 2022, and each subsequent year up through December 31, 2026. Our audits will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of DSLASA and other procedures we consider necessary to enable us to express such an opinion.

We will provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*.

We will also complete the audit in accordance with the Single Audit Act (if necessary) under the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2 CFR 200), if necessary. We will also perform audit procedures as outlined by the Utah State Auditor's Office State of Utah Compliance Audit Guide and issue the appropriate reports and opinions.

We will assist DSLASA in drafting, typing, and printing the financial statements.

C. Approach to the Audit (Continued)

Audit Procedures

Our audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions.

A successful audit provides the highest level of assurance on the reliability of the financial statements. Our audit approach also takes a businessperson's perspective to the examination of the financial statements. We pride ourselves on being available to our clients throughout the year so we can make helpful and profitable observations and suggestions to improve operating efficiencies and control structures.

Communications

During our audit, if we become aware of significant deficiencies or material weaknesses in the design or operation of the internal control structure, and ways that we believe management practices can be improved, we will communicate them to you in the form of a comprehensive written management letter at the conclusion of our audit. We will include in the audit report the responses to any findings or recommendations noted during the audit. If, during the course of our audit, we suspect illegal acts or observe indications of illegal acts, we will report these to you immediately.

Use of Specialists

As you can see from our extensive governmental auditing experience that we have sufficient experience, knowledge, and training to perform DSLASA's audit. We will not use any specialists, auditors from other firms, other offices, or interns in the performance of DSLASA's audit.

D. Time Requirements

As most of our practice consists of governmental clients, and that the State of Utah requires that all audit reports be issued no later than 6 months after year-end, we have wide-ranging experience in planning, scheduling, and performing our audits to meet deadlines both internally generated and State mandated. As long as our clients perform their required part to ensure financial statements and the underlying information is reconciled and supported, we will issue our reports by 31 May each year. But since even the most expert plans can change as circumstances change, we are also very flexible to work with clients in meeting deadlines when unexpected delays or interruptions occur.

D. Time Requirements (Continued)

As shown in other sections, we have extensive audit experience relating to governmental clients, and their financial statements. Some of our clients prepare their own financial statements and footnotes, while many engage us to prepare the financial statements and footnotes for them. As we mentioned earlier, we prepare not only the underlying reconciliations and supporting information, but also the financial statements and footnotes for several cities and districts that we consult for. As a firm, we have experience auditing clients from the smallest special districts to some of the largest cities in the state of Utah, as well as private companies requiring consolidation of many entities and over \$1 billion in assets. We are confident that we have the ability to perform the necessary due diligence in validating the financial statements of DSLASA in the timelines required.

We propose the following anticipated timeline for completion of DSLASA's audit services:

<i>Entrance conference and preliminary audit work</i>	<i>January</i>
General planning procedures	
Documentation and testing of internal control	
And compliance required by	
<i>Government Auditing Standards</i>	
Testing of Utah State Compliance	
Other non-accounting related audit procedures	
<i>Confirmation preparation and mailing</i>	<i>Mid-February</i>
<i>Financial Information ready to be audited</i>	<i>April 1st</i>
<i>Audit Fieldwork begins</i>	<i>Mid-April</i>
<i>Draft financials ready for review</i>	<i>May 15th</i>
<i>Final report issuance</i>	<i>No later than May 31</i>

E. Comprehensive Not-To-Exceed Fee

Financial Statement Audit (when required or requested)

Our fees for the proposed audit services for DSLASA will be **\$6,775** for the year ended December 31, 2022, and will remain unchanged for the remaining four years of the contract. Included in our audit fee amount is all travel, per diem, and all other out-of-pocket expenses. Our fee amount is based on the current Finance Director, current key accounting personnel, the number of funds, the current auditing and accounting standards, the time requirements detailed in this proposal, and the accounting records being available to be audited prior to the audit field work each year. This fee also includes drafting, typing, and printing the completed financial statements and disclosures. Our fee does not include consulting or non-audit services (other than preparation of the financial statements), work related to prior period restatements, if necessary.

As noted previously, our fee for DSLASA is discounted from our normal audit fee as we believe there will be portions of the audit that can be done and applied to both the DSLASA audit and the SLCMAD audit – namely, procedures relating to internal control processes and procedures, and documentation being prepared in similar manner, and due to both entities being so interrelated, we will have greater understanding of the overall operations of both.

E. Comprehensive Not-To-Exceed Fee (Continued)

Expected hours by level	Estimated Hours	Rate
Partner	15	\$ 135
Manager	20	\$ 110
Staff	30	\$ 85
Total expected hours	65	
Total of other standard expenses	None	
Total "Not-to Exceed" Audit Fee	\$ 6,775	

Single Audit –In the event DSLASA is required to undergo a Single Audit, the fee for those procedures would be **\$500** for each year.

Not-to-Exceed Audit Fee by Year					
	2022	2023	2024	2025	2026
Audit fees	\$ 6,775	\$ 6,775	\$ 6,775	\$ 6,775	\$ 6,775
Single Audit, if necessary	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500

Agreed-Upon Procedures –In the event DSLASA is not required to, and does not wish to, undergo a full audit the fee for the agreed-upon procedures (AUP) testing will be **\$2,245** for each year it is requested. Our estimated hours and not-to-exceed fee schedules are below:

Expected hours by level	Estimated Hours	Rate
Partner	5	\$ 135
Manager	5	\$ 110
Staff	12	\$ 85
Total expected hours	22	
Total of other standard expenses	None	
Total "Not-to Exceed" AUP testing fee	\$ 2,245	

Not-to-Exceed AUP Testing Fee by Year					
	2022	2023	2024	2025	2026
AUP Testing	\$ 2,245	\$ 2,245	\$ 2,245	\$ 2,245	\$ 2,245

The fee above is based on the assumption that there are no significant increase in state compliance testing procedures from year to year. If there are significant decreases in state compliance testing requirements, we will negotiate a reduced fee. This fee is inclusive of all travel, per diem, and all other out-of-pocket expenses.

Conclusion

We appreciate the opportunity to provide this proposal. If you have any questions, please feel free to contact either Steven Rowley (Steve@KCCpaoffice.com) or Gary Keddington (Gary@KCCpaoffice.com).