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County of Humboldt  
Eureka, California

This letter is a follow-up to our letter dated August 18, 2021 which informed you that we would be unable to issue our audit report by September 30, 2021, the extended due date for the County's single audit submission, due to difficulties encountered in performing the audit.

This letter documents the matters we discussed with the audit committee, the auditor-controller's office and the county administrative office during various meetings and correspondences during the last several weeks. We are available to meet with members of the audit committee and/or members of the board of supervisors to further discuss these matters and answer your questions since two-way communication between those charged with governance and our firm can provide valuable information to the audit process.

#### **Difficulties encountered in performing the audit**

Since we have received the County's trial balance on August 18, two weeks after the agreed-upon deadline, we have not been able to connect with the Auditor-Controller's Office to discuss a timeline for receiving all of our open audit requests necessary to work on the County's June 30, 2020 audit. We have reached out the County through email and telephone and by submitting our requests and selections through the portal established for the Auditor-Controller's Office. As of September 10, 2021, we still have not been able to formalize a plan with the County for completing the audit.

The performance of our audit work continues to be delayed due to several key audit requests that have not been provided to us, including year-end schedules and reconciliations supporting various significant account balances, including auditor's cash and investments, receivables (property taxes, intergovernmental, loans, etc.), long-term debt, compensated absences, self-insurance liability and interfund transfers to name a few. We understand the Auditor-Controller's Office is working with a consultant to complete some of the year-end reconciliations.

Due to the key nature of these items, we are unable to commit to a target date for the completion of our audit and are therefore withdrawing from the engagement to allow the organization to prioritize its efforts on current accounting matters. We understand you may wish to re-engage CLA at a later time to audit this period, and we will be happy to discuss these items with you once you are able to provide us all of our open audit requests. At this time, we would anticipate being able to perform the audit of the County during the week of February 7, 2022, assuming the County is able to provide us all of our open audit requests currently listed in the portal by December 31, 2021.

#### **Interim communication**

This interim communication is provided pursuant to auditing standards generally accepted in the United States of America (U.S. GAAS), which requires auditors to communicate on a timely basis significant findings or issues identified during the audit. Accordingly, this communication is based on our audit procedures performed through September 9, 2021, an interim period. Because we have not completed our audit, additional findings

and material weaknesses may be identified and communicated in a written communication at the conclusion of our engagement. We are providing this early communication to those charged with governance because of the significance of the matters identified and the urgency for taking appropriate timely remedial action to minimize the effects of such matters. The above matters are significant and relevant to your responsibility to oversee the financial reporting process.

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This interim communication is intended solely for the information and use of the board of supervisors and management of the County of Humboldt and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in blue ink, appearing to read "Rick Bongaly".

**CliftonLarsonAllen LLP**

Roseville, California  
September 10, 2021