

# Tahoe Resource Conservation District

## Request for Proposal for Audit

### ***Request for Proposal***

Tahoe Resource Conservation District (Tahoe RCD) invites qualified auditors with governmental accounting and auditing experience in performing an audit in accordance with the specifications outlined in this Request for Proposal (RFP) to submit a proposal.

Tahoe RCD will not reimburse firms for any expenses incurred in preparing proposals in response to this request.

### ***Requirements***

The audit will encompass a financial examination of Tahoe RCD's basic financial statements and supplementary information in accordance with generally accepted auditing principles (GAAP) and the standards applicable to financial audits provided by the *Government Auditing Standards (GAS)*, produced by the U.S. Government of Accountability Office. The financial audit opinion will cover the financial statements for the governmental activities and each major fund which constitutes the basic financial statements. The combining and individual financial statements, schedules, and related information are not necessary for fair presentation but will be presented as additional analytical data. This supplemental information, as required by Governmental Accounting Standards Board (GASB), will be subjected to the tests and other auditing procedures applied in the audit of the basic financial statements, and an opinion will be given as to whether the supplemental information is fairly stated in all material respects in relation to the financial statements taken as a whole. An opinion will not be given on the Management Discussion and Analysis.

The working papers shall be retained and made available upon request for no less than seven years from the date of the audit report.

In the event that circumstances arise during the audit that require work to be performed in excess of the original estimates, any additional costs will be negotiated prior to commencement of the work and an amended contract will be approved by the Executive Director.

### ***Description of the Government Entity and Its Accounting System***

Tahoe RCD is a non-regulatory, grant funded, special district working in the Lake Tahoe Basin and surrounding areas. Formed in 1974 by the California State Legislature under Division 9 of the California Public Resources Code, Tahoe RCD is one of nearly 3000 Conservation Districts across the country working to protect land, water, forests, wildlife, and related natural resources. Current programs at Tahoe RCD focus on stormwater management, aquatic invasive species control and prevention, land

management and restoration, forestry and fire adapted communities. For additional information see Tahoe RCD's website at [www.tahoercd.org](http://www.tahoercd.org).

Tahoe RCD is supported by diverse funding sources that enable us to fulfill our mission and implement projects within each of our program areas. Each year, we secure and management approximately 40 grants from federal, state, local and private funds that provide for meaningful and impactful projects. Budgeted revenues including all sources of revenue are estimated at \$6,849,863.29 for the year ending June 30, 2020.

### ***Scope of Examination***

- The audit shall cover fiscal year ending June 30, 2020, with an option to renew annually for up to four years.
- A single audit (Subpart F of the OMB Uniform Guidance) was required for fiscal year 2018 and 2019. The \$750,000.00 in federal expenditures threshold is anticipated to be met again in fiscal year 2020.
- District financial records should be closed and ready for audit by October 31<sup>st</sup> of each year. The books of accounts and financial records to be audited are maintained and located at Tahoe RCD office located at 870 Emerald Bay Road, Suite 108, South Lake Tahoe, CA 96150. The Director of Finance and Administration shall make these books and records available.
- The report package includes:
  - Basic Financial Statements (including all applicable footnotes)
  - GASB 68 Report
  - Footnotes on Summary of Significant Accounting Policies and Procedures
  - Auditor's opinion on the financial statements and required supplementary schedules
  - Report on Compliance and on Internal Control Over Financial Reporting based on audit of financial statements performed in accordance with Government Auditing Standards (GAS) and/or Generally Accepted Auditing Principles (GAAP).
  - Required Supplementary Information
  - Schedule of Findings and Recommendations
  - Status of Prior Year Findings and Recommendations
  - Management Discussion and Analysis
  - Required Communications to the Board of Directors
- Filing the audit and single audit with the Federal Audit Clearinghouse (FAC)
- Approximately six (6) copies of the audited financial reports must be presented to Tahoe RCD. All reports will also be provided in electronic format to Tahoe RCD.
- The auditor will be expected to attend a full board meeting with the Board of Directors to present the audit report and review the required communications. Additionally, the auditor will attend a Finance and Operations Committee meeting to review the audit in detail prior to the board meeting.

### ***Contractual Arrangements***

As required in the Fee Schedule below, proposers are to state separate "not to exceed fees" for performing the services described Tahoe RCD fiscal year ending June 30, 2020. By acceptance of the proposal, Tahoe RCD will enter into contract with the successful proposer for audit services for fiscal

year ending June 30, 2020. Tahoe RCD Professional Service Agreement template is available upon request.

Audit services performed for the audit period shall be paid by Tahoe RCD not more than 45 days following submission of an invoice from the auditor. In no event, however, shall fees paid by Tahoe RCD exceed the “not to exceed” cost proposed in the Fee Schedule below, for provision of all the services described in the successful proposal.

Interim or progress billings will be accepted up to 75% of the total fee prior to submission of the audited financial statements to the Board of Directors and their approval of the audited financial statements.

In the event of a merger of the audit firm with another firm of certified public accountants or the change of partners to the audit firm, this contract will be transferable to the successor firm with the approval of Tahoe RCD. This agreement shall not be assigned or transferred without the written approval of Tahoe RCD.

### ***Proposal Submission Information***

To secure information which facilitates systematic application of evaluation criteria, vendors are required to submit proposals with the information and in the format described below:

Transmittal Letter: Proposals shall be transmitted by a letter which shall include at least the sections listed below and is signed by an authorized agent of the organization.

- Fee Schedule: A maximum “not to exceed” fee for providing the services as described in the proposal for fiscal year ending June 30, 2020. A current schedule of hourly billing rates of the personnel who would provide audit services. Please provide two different fee schedules, one with a single audit and one without.
- Contact Person: The name, address, email address, phone number and title of the individual to whom notices regarding this proposal should be sent.
- Profile of the Proposer:
  - Proposers shall describe the organization and size of organization, whether it is local, regional, national, or international in operations.
  - The location of the office from which the work is to be done, and the number of professional staff (by staff level) employed at the office.
  - A description of the range of activities performed by the office handling the engagement such as auditing, tax service, management services, etc.
- Technical Approach: Proposer shall indicate the technical approach to providing the services required. This should include a rough estimate of hours to be performed by each level of staff during each significant segment of work, including estimated amount of time the manager and senior staff will be on site, if needed.
- Qualifications of the Proposer: Proposers shall describe their qualifications, which shall include at least a list of each professional staff member to be assigned to the project, indicating staff levels by type and title. It is expected that each senior and higher-level staff assigned would have considerable governmental and/or Special District experience, which should be noted. Knowledge and experience regarding GASB standards, including OPEB and Pension liability

reporting, should be described. Any specialized skill, such as background in public finance, should also be included.

- While it is understood that there will be turnover with audit staff, continuity of staff is desired and will be a consideration when renewing this contract.
- **References:** Provide the name, address, telephone number, email address and contact person of all municipal or local government audit clients for the last two years.
- **Peer Review:** Proposers shall describe the systems of peer review to which proposers are subject, including the nature (internal and/or external) and frequency of reviews. If the evaluations are external, proposers shall furnish copies of the most recent evaluation opinion.

## ***Selection Criteria***

Proposers' qualifications to provide the services described in the request for proposal, (as determined by responses to this request and references), shall be a factor in determining the successful proposer. However, criteria may include, but are not limited to: compliance of proposal with request for proposal, price, ability to do the work, the proposers' character and reputation, quality of other work performed and any other criteria Tahoe RCD, in its judgement, represents the best and most favorable to the interests of Tahoe RCD and the public.

Selected vendors may be invited to oral interviews following an initial evaluation of proposals submitted.

## ***Time Requirements***

### **Proposal Schedule**

- |                                      |                 |
|--------------------------------------|-----------------|
| ○ Release of RFP to vendors          | 6/26/2020       |
| ○ Submit Questions to Tahoe RCD      | 7/8/20          |
| ○ Tahoe RCD Question Response        | 7/10/20         |
| ○ <b>Proposal Due Date</b>           | <b>7/17/20</b>  |
| ○ Interviews with Selected Proposers | 7/27/20-7/31/20 |
| ○ Board Recommendation               | 8/11/20         |
| ○ Contract awarded by the Agency     | 8/11/20         |

### **Audit Schedule**

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|---|---|
| ○ Trial balances Completed by Tahoe RCD                     | 11/2/20 or 11/9/20  |
| ○ Field Work Start  | 11/9/20 or 11/16/20 or mutually determined date as long as the Draft Audited Finance Statements are received 2/5/21 |
| ○ Draft Audited Financial Statements and Management Letter  | 2/5/21  |
| ○ Meet with Finance and Operations Committee                | Week of 2/22/21-2/26/21   |
| ○ Audited Financial Statements presented to Tahoe RCD Board | 3/9/2021  |

## ***Contract***

The successful proposer shall confirm in writing acceptance of the terms of this proposal within seven days of notification of selection. This confirmation may be in the form of the standard engagement letter. Proposers must specify any proposed modifications to the scope of the engagement in their proposal. Tahoe RCD currently anticipates approving a contract for audit service during the monthly board meeting held on August 11, 2020. However, in the event that the proposal is accepted at a later date, the Time Requirements will be revised accordingly.

## ***Proposal Period and Contract Award***

Each proposal shall be submitted in a sealed envelope marked Tahoe Resource Conservation District Audit Proposal or emailed no later than (July 17, 2020 at 5:00 p.m.) to:

Tori Walton  
Director of Finance and Administration  
Tahoe Resource Conservation District  
870 Emerald Bay Road, Suite 108  
South Lake Tahoe, CA 96150  
[twalton@tahoercd.org](mailto:twalton@tahoercd.org)  
530-543-1501 ext. 117

Proposals will be opened immediately. Late proposals will be disqualified.

Tahoe RCD reserves the right to accept any proposal that is, in its judgment, the best and most favorable to the interests of Tahoe RCD and the public; to reject any or all proposals; to accept and incorporate corrections, clarifications, or modifications following the opening of the proposals. When to do so would not, in Tahoe RCD's judgement, prejudice the proposal process or create an improper advantage to any proposer.