



TAHOE

RESOURCE CONSERVATION DISTRICT

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Tahoe RCD Auditor RFP – Questions and Responses

- What is the reason for change in auditors? Are the prior auditors invited to propose?
 - We were notified by our prior auditor that they would no longer be performing single audits. The District has required a single audit the past two fiscal years.
- Were there any disagreements with the prior auditors?
 - No, there were not.
- Has there been any fraud recently at the District?
 - No, there has not been any fraud.
- How much time did the prior auditors spend in the field at the District?
 - The prior auditor spent approximately three days in the office.
- Does the auditor or the District prepare the financial statements?
 - The auditor prepares the financial statements.
- Are pension entries prepared by the auditor or the District?
 - Our accountant will prepare the pension entries.
- May you share the prior audit fee?
 - \$16,900 – this includes the single audit and travel.
- Why are you going through the RFP process?
 - We were notified by our prior auditor that they would no longer be performing single audits. The District has required a single audit the past two fiscal years.
- Will your current auditors be eligible to submit a bid, or are you required to rotate auditors?
 - Yes, they would be eligible to submit a bid if they were still performing single audits.
- Can you provide a copy of your prior year audit reports, including the Single Audit reports and management letter, if one was issued.
 - The FY 18/19 audit which includes the single audit report can be found here: <https://tahoercd.org/wp-content/uploads/2020/06/Tahoe-RCD-FY-18.19-Audit-Final.pdf>.
 - The management letter can be found here: <https://tahoercd.org/wp-content/uploads/2020/07/Tahoe-RCD-Signed-Mgmt-Rep-Letter-3.10.20.pdf>
- Do you anticipate any significant changes in fiscal year 2019/20 or future years that will affect the financial statements, such as the issuance of debt, changes in funding sources, including grants, etc?
 - No significant changes are anticipated in FY 19/20. The District is 98% grant funded and those grants are always closing and being replaced with new ones but not at a rate unlike prior years.
- What federal grant programs does the District anticipate receiving funds under?
 - The District currently receives federal funding from the Bureau of Land Management, Bureau of Reclamation and US Department of Agriculture.
- How many audit adjustments did your prior auditors have? What is the nature of these adjustments?

We Do Conservation

The mission of the Tahoe RCD is to promote the conservation, stewardship and knowledge of the Lake Tahoe region's natural resources by providing leadership and innovative environmental services to all stakeholders.

- There were five audit entries and eight government wide entries. Three of the five entries correct the material weakness, one reconciles the fund equity to the audit and one reclassifies capital equipment from service and supply accounts. The government wide entries are not entered by the District and are for government wide presentation.
- How many staff and how many days were your prior auditors on-site for fieldwork?
 - The prior auditors were on site for about three days. There were four people total but only two were there for all three days.
- Would you be able to share what your prior auditor was charging for the audit and the single audit?
 - \$16,900 – this includes the single audit and travel.
- What accounting system do you use?
 - QuickBooks: Premier Plus Nonprofit Edition 2019.
- How many staff does the District have that are involved in the accounting function?
 - Three staff members are involved with the accounting function. The District also has a contract with Eide Bailey for accountant services.
- Has there been any change in staff that are responsible for the preparations for the audit?
 - No, there have not been any staff changes.
- Since CalPERS is no longer providing separate employer amounts for the net pension liability and related deferred inflows/outflows, does the District have the actuary perform the allocation calculations or does the auditor do these calculations and develop the journal entry?
 - Our accountant will prepare the calculations and develop the journal entry.
- Does the District have retiree healthcare benefits?
 - No.
- Page 4 of the RFP, the references section, indicates that you want the email addresses and contact person of all government clients for the last two years. This would be quite a long list. Is there a specific number of references you would like to check or do you need this information for all of them? There would be at least 50 of them on our list.
 - Please provide five references with a note that more are available upon request.
- Are your prior year auditors included or excluded from the current RFP process?
 - Our prior auditors have chosen to exclude themselves from the process as they are no longer performing single audits.
- What do you like about the service provided by your current auditing firm? What don't you like?
 - We really liked the communication we had with our prior audit firm, whenever our auditor was unsure of something, we were able to work together to get to the bottom of the question. We do not have any complaints about our prior auditors.
- Please provide a list of firms that have been sent an RFP.
 - The RFP was posted on the CSDA website and sent to Marcello CPA, Fechter & Company, Richardson & Company, LLP, and Nicholas & Robison Accounting, Inc.
- Were there any major changes in the engagement requested in the RFP compared to last year's engagement?
 - No, there were not any major changes.

- How many hours did your previous auditors encounter for your last audit?
 - We do not know how many hours total our prior auditors spent on the last audit.
- How many and how long were auditor staff onsite for fieldwork?
 - There were four people onsite for approximately three, eight-hour days. Only two people were onsite for all three days.
- What were your prior year's contract fees for each of the past three years? Please split the fees out by service type (audit, drafting, single audit, etc.).
 - Fees were not broken down by the requested categories and presented as a lump sum.
 - FY 18/19 - \$16,900.00
 - FY 17/18 - \$16,400.00
 - FY 16/17 - \$11,400.00 (does not include a single audit)
- Does the District prepare its own Financial Statements or is the auditor responsible for preparation and assembly?
 - The auditor is responsible for preparation and assembly of financial statements.
- The RFP mentions a Management Discussion and Analysis, but this wasn't presented in the 2019 or 2018 audits. Is the MD&A a new implementation for the 2020 audit?
 - Yes, this is a new implementation for the 2020 audit.
- How many journal entries were made after the trial balance was given to the auditors? What was the nature of those journal entries?
 - There were five audit entries and eight government wide entries. Three of the five entries correct the material weakness, one reconciles the fund equity to the audit and one reclassifies capital equipment from service and supply accounts. The government wide entries are not entered by the District and are for government wide presentation.
- Is the auditor expected to prepare GASB 68 entries?
 - Our accountant will prepare the GASB 68 entries.
- Do you anticipate any future GASB Statements to have an impact on your financial statements?
 - No.
- Do you expect any significant transactions (bond issuance, leases, etc) in the next 5 years?
 - No, we do not expect any significant transactions in the next five years.
- Do you expect any significant changes in the operating environment (changes in staff, accounting system, etc) in the next 5 years?
 - No, we do not expect any significant changes in the operating environment.
- In the current fiscal year is a single audit is it going to be needed?
 - A single audit has been required the past two fiscal years; it is not known at this time if the District has hit the \$750,000.00 threshold. There are multiple subrecipients on our largest federal grant and we will not know our total expenses until all of their invoices are received.
- What is the reason you are considering changing the auditor?
 - We were notified by our prior auditor that they would no longer be performing single audits. The District has required a single audit the past two fiscal years.
- Have there been any changes in your accounting system or software since last year?
 - No, the District has been using QuickBooks for around eight years.

- Have there been any major changes in staff turnaround in the past year?
 - No.
- Do you expect to have any retirement or replacement of key employees?
 - No.
- Please list the staff members in finance and their years of experience with the organization at that position.
 - Tori Walton, Director of Finance and Administration, 8 years.
 - Meg Peart, Grant Manager/HR, 4 years.
 - Sarah Bauwens, Bookkeeper/Office Coordinator, 2 years (7 years with the District).
- How many adjusting entries did you did you have last year?
 - There were five audit entries and eight government wide entries.
- Were there any material weaknesses, significant deficiencies or control deficiencies? If so, please provide relevant reports.
 - Yes, there was one material weakness that is detailed on page 31 of the FY 18/19 audit that can be found here: <https://tahoercd.org/wp-content/uploads/2020/06/Tahoe-RCD-FY-18.19-Audit-Final.pdf>.
- About how much time did the prior year auditors spend onsite to conduct their audit?
 - The prior auditors spent three days in the District office.
- Are the prior year auditors being invited to bid?
 - Yes, they would be invited to submit a bid if they were still performing single audits.
- What are the things you liked and didn't like about your current auditors?
 - We really liked the communication we had with our prior audit firm, whenever our auditor was unsure of something, we were able to work together to get to the bottom of the question. We do not have any complaints about our prior auditors.
- What were the prior year fees? Did these fees include travel?
 - \$16,900.00 and they do include travel.
- Are there any new services in this RFP that were not included in the prior year?
 - No, there are not any new services.
- I did not see prior year financial statements on the District's website. May we please get a copy?
 - Prior year financial statements can be found here: <https://tahoercd.org/wp-content/uploads/2020/06/Tahoe-RCD-FY-18.19-Audit-Final.pdf>
- What type of accounting/bookkeeping system does the Tahoe Resource Conservation District use?
 - QuickBooks: Premier Plus Nonprofit Edition 2019.
- Any major change of budgetary size or management turnover from previous year?
 - No.
- Approximately how many audit adjustments did the prior firm make as part of their audit?
 - There were five audit entries and eight government wide entries.
- Any major reason why the Tahoe Resource Conservation District is considering a change of audit firms?

- We were notified by our prior auditor that they would no longer be performing single audits. The District has required a single audit the past two fiscal years.
- Any major disagreements in regards to accounting principles or auditing procedures?
 - No.
- How many days of fieldwork did the prior firm perform? How many auditors on those days?
 - There were four people onsite for approximately three, eight-hour days. Only two people were onsite for all three days.
- Is the previous firm being asked to propose?
 - No, but they would be welcome to propose if they were still performing single audits.
- How much were the previous years' auditing fees?
 - \$16,900.00.
- What is the reason for the RFP this year?
 - We were notified by our prior auditor that they would no longer be performing single audits. The District has required a single audit the past two fiscal years.
- Will the prior auditor be bidding on this year's audit?
 - No, but they would be welcome to bid if they were still performing single audits.
- What was the Prior Year's audit fee?
 - \$16,900.00
- And was it broken down between the financial statement audit and the single audit?
 - No, the fee was not broken down.
- Were there any audit findings in the 2019 audit?
 - Yes, there was one material weakness that is detailed on page 31 of the FY 18/19 audit that can be found here: <https://tahoercd.org/wp-content/uploads/2020/06/Tahoe-RCD-FY-18.19-Audit-Final.pdf>.
- Did the prior auditor have any Proposed Journal Entries in the 2019 audit?
 - There were five audit entries and eight government wide entries.