



**CLEAR CREEK COMMUNITY SERVICES DISTRICT**  
**REQUEST FOR PROPOSALS**  
**FOR FINANCIAL AUDITING SERVICES**

**I. INTRODUCTION**

**A. General Information**

The Clear Creek Community Services District (District) requests proposals from qualified firms of certified public accountants to audit its financial statements for up to a three year period beginning with the fiscal year ending June (DATE), 2022 through fiscal year ending June 30<sup>th</sup>, 2025. These audits are to be performed in accordance with generally accepted auditing standards and the standards for financial audits set forth in the U.S. General Accounting Office's (GAO) Government Auditing Standards.

There is no expressed or implied obligation from the Clear Creek Community Services District to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

To be considered, three (3) copies of a proposal must be received by Kurt Born, General Manager, at 5880 Oak St, Anderson, CA 96007, by 5:00 p.m. on (DATE), 202?. The Clear Creek Community Services District reserves the right to reject any or all proposals submitted.

Submission of a proposal indicates acceptance by the firm of the conditions contained in the Request for Proposals, unless clearly and specifically noted in the proposal submitted and confirmed within the contract between the District and the firm selected.

**B. Term of Engagement**

The term is for a minimum one (1) year contract. An additional two (2) renewal years is contemplated, requiring the proposer to maintain prices in the proposal for the two (2) renewal terms. Renewal terms are an option exercisable by the District and the firm selected.

**II. NATURE OF SERVICES REQUIRED**

**A. General**

The District is soliciting the services of a qualified firm of certified public accountants to audit its financial statements for the fiscal year ending June (DATE), 2022, with the option to audit the District's financial statements for each of the two (2) subsequent fiscal

years through fiscal year ending June (DATE), 2025. These audits are to be prepared in accordance with the provisions contained in this Request for Proposals.

**B. Scope of Work to be performed:**

The District desires the auditor to express an opinion on the fair presentation of the District's general purpose financial statements in conformity with generally accepted accounting principles.

The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Government Accounting Standards Board as mandated by generally accepted auditing standards.

**C. Auditing Standards to be followed:**

To meet the requirements of this Request for Proposals, the audit shall be performed in accordance with:

*Generally accepted auditing standards, as set forth by the American Institute of Certified Public Accountants, and the standards for financial audits set forth in the U.S. General Accounting Office's Government Auditing Standards.*

**D. Reports to be issued:**

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue:

1. A fiscal year-end financial statement;
2. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles;
3. A report on the internal control structure based on the auditor's understanding of the control structure and assessment of control risk ("Recommendations to Management");
4. A report on compliance with applicable laws and regulations.

**Reporting:** Auditors shall be required to report to the District on each of the following:

1. The auditor's responsibility under generally accepted auditing standards.
2. Significant accounting policies.
3. Management judgements and accounting estimates.
4. Significant audit adjustments.
5. Other information in documents containing audited financial statements.

**E. Final Report**

The final report shall be delivered in both hard copy and electronic formats, within three (3) months of the audit inception. Report preparation shall be the responsibility of the auditors, including, but not limited to, all typing of the report, footnote review, and production of the draft and final reports, and eight (8) copies of the final report and recommendations to management.

**F. Access to Working Papers**

The firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance, and make copies, as needed.

**III. DESCRIPTION OF THE CLEAR CREEK COMMUNITY SERVICES DISTRICT**

**A. Contact Person**

The auditor's principal contact with the District will be:

Kurt Born,  
District General Manager  
[skip@clearcreekcsd.com](mailto:skip@clearcreekcsd.com)  
(530) 357-2121  
Fax (530) 357-3723

**B. Background Information**

The Clear Creek Community Services District is an independent Special District organized under the Public Utilities Code provisions of the general laws of the State of California and is governed by a five-member Board of Directors elected at large by the registered voters of the District. The District is located in Shasta County; The District provides customers with potable water for Agriculture and domestic use.

The District annually receives approximately \$350,000.00 in property taxes from the county to help finance its operations.

The District's fiscal year begins on July 1<sup>st</sup> and ends on June 30<sup>th</sup>. The District has a FY 2021-2022 operating budget of approximately \$1,400,000.00 and a capital budget of approximately \$435,000.00. The District has total annual wages and benefits of approximately \$650,000.00 covering ten (10) full-time employees and 5 Board of Directors.

**C. Budgetary Basis of Accounting**

The District prepares its budgets and financial statements on a basis consistent with generally accepted accounting principles.

**D. Pension Plan**

The District participates in the California State Public Employees Retirement System (CalPERS) and OPEB (employee funded).

E. **Availability of Prior Audit Reports and Working Papers**

Interested proposers who wish to review prior years' audit reports and management letters should contact Kurt Born, District General Manager at (530) 357-2121. The District will use its best efforts to make prior audits available to proposers to aid their response to this Request for Proposals.

IV. **PROPOSAL REQUIREMENTS**

The following material is required to be received by the District by 5:00 p.m. (DATE), 2021 for a proposing firm to be considered:

A. **Title Page:**

The title page showing the Request for Proposal's subject, the firm's name; the name, address, email and phone number of a contact person; and the date of the proposal.

B. **Table of Contents**

C. **Transmittal Letter**

A signed letter of transmittal briefly stating the proposer's understanding of the work to be performed, the commitment to perform the work within the time period, a statement why the firm believes itself to be the most qualified to perform the engagement and that the proposal is a firm and irrevocable offer for the period being bid on.

D. **Detailed Proposal**

The detailed proposal should follow the order set forth herein.

E. **Executed copies of Proposer Guarantees and Proposer Warranties, attached to this Request for Proposals (Appendix A and Appendix B)**

Please send the completed proposal to the following address:

Mr. Kurt Born  
Clear Creek Community Services District  
5880 Oak St  
Anderson, CA 96007

F. **Technical Portion**

**General Requirements**

The purpose of the Technical Portion is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the Clear Creek Community Services District in conformity with the requirements of this Request for Proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The Technical Portion should demonstrate the qualifications of

the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the Request for Proposal's requirements.

The Technical Portion should address all the points outlined in the Request for Proposals. The Technical Portion should be prepared simply and economically, providing a straight forward, concise description of the proposer's capabilities to satisfy the requirements of the Request for Proposals. While additional data may be presented, the following subjects, Items No. 2 through No. 6, must be included. They represent the criteria against which the proposal will be evaluated.

#### **1. Independence**

The firm should provide an affirmative statement that it is independent of the Clear Creek Community Services District as defined by generally accepted auditing standards of the U.S. General Accounting Office's *Government Auditing Standards*. In addition, the firm shall give the District written notice of any professional relationships entered into during the period of this agreement.

#### **2. License to Practice in California**

A statement should be included indicating that the firm and all assigned key professional staff are properly licensed to practice in California.

#### **3. Firm Qualifications and Experience**

The proposal should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be employed on a part time basis.

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with the state regulatory bodies or professional organizations.

#### **4. Partner, Supervisory and Staff Qualifications and Experience**

The firm should identify all staff, including the principal supervisory and management staff, engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement, what their specific tasks and functions would be and indicate whether each person is registered/licensed to practice as a certified public accountant in California.

The firm should provide as much information as possible regarding the number, qualifications, experience, training, including relevant continuing professional

education of the specific staff to be assigned to this engagement. The firm should also indicate how the quality of staff will be assured over the term of the agreement.

#### 5. Similar Engagements with Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum of 5) performed in the last five years that are similar to the engagement described in this Request for Proposals. These engagements should be ranked on the basis of total staff hours.

#### 6. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed to perform the services required in Section II of this Request for Proposals. In developing the work plan, reference should be made to such sources of information as the District's budget and related materials, organizational charts, manuals and programs, financial and other management information systems.

### G. Firm Dollar Cost Bid

#### 1. Total All-inclusive Maximum Price

The firm dollar cost bid should contain all pricing information relative to performing the audit engagement as described in this Request for Proposals. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses. A total all-inclusive maximum price shall be shown for the FY 2021-22 engagements, as a total all-inclusive maximum price for each of the FY 2022-23, FY 2023-24 and FY 2024-25 audit years.

The District will not be responsible for expenses incurred in preparing and submitting the technical proposal or the firm dollar cost bid. Such cost should not be included in the proposal.

#### 2. Rates for Additional Professional Services

If it should become necessary for the District to request the auditor to render any additional services to either supplement the services requested in this Request for Proposals or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the District and the firm. Any such additional work agreed to between the District and the firm shall be performed at the same rates as set forth in the schedule of fees and expenses included in the sealed dollar cost bid.

#### 3. Manner of Payment

Payments will be made under the following schedule:

75% - billed upon beginning of Field Work subsequent to the Initial Auditing

Opening Conference with the General Manager;

15% - Billed subsequent to delivery of the draft Final Statements and Recommendations to Management;

10% - To be paid upon receipt of final paper/electronic copies of the reports, But no sooner than 30 days after acceptance of Final Statements and Recommendations to Management by the Clear Creek Community Services District Board of Directors.

## V. EVALUATION PROCEDURES

### A. Proposal Committee

Proposals will be evaluated by the financial committee of the Board of Directors of Clear Creek Community Services District and the General Manager.

### B. Review of Proposals

The committee will review each proposal. Each member will first score each technical portion of the proposal by each of the criteria described in Section V.C below. The committee will then convene to review and discuss these evaluations and arrive at a consensus on the firms the committee will evaluate further

### C. Evaluation Criteria

The following represent the principal criteria that will be considered during the evaluation process.

Principal Requirements-

1. The audit firm is independent and licensed to practice in California
2. The audit firm has either principal offices or subsidiary offices located within a 150 mile radius of Shasta County.
3. The audit firm's professional personnel have received adequate continuing professional education within the preceding two years.
4. The firm has no conflict of interest with regard to any of the work performed by the firm for the District.
5. The firm submits a copy of its most recent external quality control review report and the firm has a record of quality audit work.
6. The firm adheres to the instructions in this Request for Proposals on preparing and submitting the proposal.

#### Technical Qualifications-

- |                             |     |
|-----------------------------|-----|
| 1. Expertise and experience | 40% |
| 2. Audit approach           | 30% |
| 3. Price                    | 30% |

The District will evaluate annual as well as multi-year costs as part of the selection process.

#### D. Oral Presentation

During the evaluation process, the committee may, at its discretion, request any one or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the committee may have of a firm's proposal. There is no requirement of the District for it to ask all firms to make such oral presentations.

#### E. Final Selection

The Board of Directors of the Clear Creek Community Services District will select a firm based upon the recommendation of the Financial Committee and the General Manager. It is anticipated that a firm will be selected and notified on or before Xxxx x<sup>st</sup>, 2021. Following notification of the firm selected it is expected that a contract will be executed between both parties no later than Xxxxxr X<sup>st</sup>, 2021.

#### F. Right to Reject Proposals

Submission of a proposal indicates acceptance by the firm of the conditions contained in this Request for Proposals unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the District and the firm selected. The District reserves the right without prejudice to reject any or all proposals. The District also reserves the right to waive minor irregularities in the proposal, and to accept the proposal it considers most favorable and in the District's best interest.

#### G. Professional Services Agreement

The firm selected by the District to perform auditing services will be required to execute an Agreement for Professional Services.





APPENDIX B

PROPOSER WARRANTIES

- A. Proposer warrants that it is willing and able to comply with the State of California Laws.
- B. Proposer warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees, or agents thereof.
- C. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without express prior written permission of the Clear Creek Community Services District.
- D. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official: \_\_\_\_\_

Name (typed): \_\_\_\_\_

Title: \_\_\_\_\_

Firm: \_\_\_\_\_

Date: \_\_\_\_\_

APPENDIX A

PROPOSER GUARANTEES

The proposer certifies it can and will provide and make available, at a minimum all services set forth in Section II, Nature of Services Required

Signature of Official: \_\_\_\_\_

Name (typed): \_\_\_\_\_

Title: \_\_\_\_\_

Firm: \_\_\_\_\_

Date: \_\_\_\_\_