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Engineering, Michael P. Cortez  
Administrative Services, Dale McDonald

**DISTRICT BOARD**  
Megan Clark  
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Craig K. Murray  
Judy Schriebman  
Crystal J. Yezman

## **Addendum #1**

Project: RFP for Professional Auditing Services

Date: May 2, 2022

Bid Due Date: May 27, 2022

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This Addendum is issued as modifications to the RFP previously issued to provide clarifications to the scope of work. This Addendum supersedes the original RFP. This along with the RFP becomes the bid documents.

Q. How long have the current auditors been performing the audit for the District?

A. Since 2017.

Q. Were there any disagreements with the current auditors

A. No

Q. Why is the District looking for new auditors?

A. Auditor performed audits for six consecutive years and per Gov Code Section 12410.6(b) the District chose to issue RFP.

Q. What were the prior audit fee(s)? Please provide breakdown by report. Did these fees include travel?

A. See breakdown below for last two years. Fees include travel.

- Year ending June 30, 2020 – Base Audit \$22,500 and assistance with prep of ACFR \$2,000. Optional SCO Annual FTR assistance for LGVSD/MPFA JPA \$1,500. Single Audit \$4,500.
- Year ending June 30, 2021 – Base Audit \$23,000 and assistance with prep of ACFR \$2,000. Optional SCO Annual FTR assistance for LGVSD/MPFA \$1,500. No Single Audit required.

Q. Were there any difficulties encountered during the prior audits?

A. No, other than COVID-19 related delays.

Q. How many adjusting entries/journal entries were proposed by the auditors?

A. 6 in FY 2020 and 6 in FY 2021.

Q. Was a management letter issued by the prior auditors? If so, can we get a copy?

A. No.

- Q. For both interim and year-end, in a normal year, how many staff did the audit team consist of in the past and how many days did the auditors spend in the field and when did the auditors come on site?
- A. Two people on the team plus principal auditor for review with office admin support. COVID impacted onsite the last two years, 2 days of field work with follow-up requests for documents handled electronically. In 2019 there were 3 full days of fieldwork. Business hours of the District are 6:30 AM to 3:00 PM.
- Q. Did the auditors perform any components of the audits remotely?
- A. Majority of the work was done remotely. A couple hourly on-site visits to meet with management before final audit was completed.
- Q. Are you open to a hybrid approach in which the audit team would only come to your offices if needed?
- A. Yes, if it does not cause undue burden on District staff.
- Q. Are you able to scan and upload source documents?
- A. The District does not have a secure cloud file storage account. We can scan files and upload to auditor identified and maintained secure system.
- Q. Have there been changes in the accounting system or software since last year?
- A. No.
- Q. Is the District planning a change of accounting system or software in the near future?
- A. Yes. The District is in the process of implementing Caselle cloud-based accounting software. We anticipate use beginning in FY 2022/23.
- Q. Will there be any significant events in FY2021/22 that could affect the scope of the audits?
- A. No.
- Q. Does the District anticipate needing a Single Audit in the next couple of years?
- A. At this time, no. The District is continually looking for federal grant funding but nothing has been identified. Include optional cost for Single Audit in proposals.
- Q. I understand that fieldwork typically happens in mid-October, but when do you typically give the auditor the closed TB for each report?
- A. By then end of September.
- Q. Would you be able to have a final TB and ready for audit in September?
- A. The District is committing to having the TB ready by September 30 and will work with auditor prior to this to develop audit plan and conduct interim work.
- Q. What was the auditors involvement in the GASB 68 and 75 entries and reporting?
- A. The District contracts out with independent firm to complete these reports. Both will be provided to the auditor for inclusion of data into the audit.

- Q. How long have key Finance staff been with the District and are there any planned retirements?
- A. The Administrative Services Manager has been with District since October 2020 and Administrative Financial Specialist since October 2019. No planned retirements. There is an ongoing recruitment for a new General Manager (GM), the current Interim GM expected to remain until new GM is hired.
- Q. Do you or your auditor prepare the financial statements and footnotes?
- A. The auditor prepares the financial statement and footnotes with client provided information.
- Q. Does the District require assistance with preparation of the GFOA Annual Comprehensive Financial Report (ACFR) and/or annual State Controller's Office (SCO) Financial Transaction Report (FTR) filling?
- A. The District plans to continue filing a ACFR, include optional line item in the proposal to provide assistance in preparation of ACFR. Include optional line items in the proposal to assist with the SCO Annual FTR filling for 1) the Las Gallinas Valley Sanitary District and 2) Marin Public Financing Authority (MPFA) for which a Joint Powers Authority (JPA) was formed in 2017 to issue debt for its member agencies.
- Q. Is there a deadline for submitting questions on the RFP?
- A. Questions must be submitted by 2:00 PM on May 16. Questions and answers will be included in another addendum and posted on the District website and emails to firms who previously received RFP.

END