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**FINANCIAL AUDIT SERVICES
REQUEST FOR PROPOSAL #2128**

MARCH 3, 2021

GENERAL RESPONSE TO BIDDERS QUESTIONS

Presented below are questions asked by Bidders and the District's responses. These responses are being provided for information only.

1. **Question:** *Are your prior year auditors included or excluded from the current RFP process? / Are the prior year auditors being invited to bid? / Is the previous firm being asked to propose? / Was the prior year auditor invited to bid?*

Answer: They are included and have been invited to bid.

2. **Question:** *What do you like about the service provided by your current auditing firm? What don't you like? / What are the things you liked and didn't like about your current auditors?*

Answer: The current auditors respond to questions in a timely fashion. Their audit information requests are clear and have reasonable expectations for when the District can provide information.

3. **Question:** *Were there any major changes in the engagement requested in the RFP compared to last year's engagement? / Are there any new services in this RFP that were not included in the prior year? / Are there significant changes to the scope of services referenced in the RFP over what has been provided in prior years?*

Answer: There are no major changes between the services requested in the RFP compared to last year's engagement. There are no new services requested.

4. **Question:** *How many hours did your previous auditors encounter for your last audit? Or how many weeks were they onsite? / About how much time did the prior year auditors spend onsite to conduct their audit in 2019? / How many auditors and how many weeks were the auditors on site for both interim and year end field work? / How many days of fieldwork did the prior firm perform? How many auditors on those days? / How many auditors were needed to complete last year's audit work? How many days of interim and year-end fieldwork? / How many staff did the audit team consist of in the past and when did the auditors come on site? / How many weeks did your prior auditors require for your last audit? Also, how many weeks/hours were spent by the prior auditors in the field?*

Answer: Auditors were not onsite during the FY20 audit due to COVID-19 restrictions. Interim fieldwork was completed in approximately two weeks. Final fieldwork was completed in approximately three weeks, with about two additional weeks for finalizing outstanding questions and editing the financial statements. Two to four auditors were engaged on the audit on any particular day.

5. **Question:** *Were there any findings identified during the most recent audit? Please provide your management letter or management report. / Were there any material weaknesses, significant deficiencies or control deficiencies? If so, please provide relevant reports. / Were there any material adjustments made by the auditors in connection with the examination of the prior year Financial Statements?*

Answer: No findings identified.

6. **Question:** *How many journal entries were made after the trial balance was given to the auditors? What was the nature of those journal entries? / How many audit adjusting entries did you have last year? / How many journal entries were proposed by the auditors? Were there any findings? / Approximately how many audit adjustments did the prior firm make as part of their audit? / How many audit adjustments were proposed by the auditors in last year's audit? / How many accounting entries were made after the year-end trial balance is given to the auditor? / How many adjusting entries did you have last year?*

Answer: For the FY20 audit, there were no journal entries made after the trial balance was provided to the auditors. There were no audit adjusting entries and no audit adjustments proposed. There were no findings by the auditors.

7. **Question:** *Does the District require assistance from the auditor on preparing the GASB 68 and 75 entries?*

Answer: The District prepares the GASB 68/75 entries, and the auditor reviews the entries prior to posting.

8. **Question:** Does the District prepare its own Financial Report or is the auditor responsible for preparation and assembly? If auditor is expected to prepare, when do you usually like to receive the first draft?

Answer: The auditor is responsible for preparation and assembly of the financial reports. First drafts are expected by the second week of September.

9. **Question:** Do you anticipate any future GASB Statements to have an impact on your financial statements?

Answer: We do not know if any future GASB Statements will have an impact on the District's financial statements.

10. **Question:** Do you expect any significant transactions (bond issuance, leases, etc.) in the next 3 years? / Any New Debt Issuances in the Current Fiscal Year?

Answer: The District will participate in financing activities near the end of June 2021 to refinance maturing mezzanine level notes, advance refund the remaining portion of Series P Water Revenue Notes, and possibly refinance a quantity of short-term extendable municipal commercial paper into longer term bonds. Within the next three years additional issuances eligible for advance refunding will also be considered as eligible to achieve debt service savings for the District.

11: **Question:** Do you expect any significant changes in the operating environment (changes in staff, accounting system, etc.) in the next 3 years? / Any other Major Changes in the Current Fiscal Year that would affect the operations of the District? / Any major change of budgetary size or management turnover from previous year?

Answer: There are no planned operational changes outside of the retirement of the Assistant General Manager – Administration, selection is currently underway.

12. **Question:** Will you allow the audit to be performed remotely and do you have the capabilities to provide the information electronically?

Answer: Yes. The District's FY20 audit was performed remotely. Most information was given electronically as either Excel spreadsheets or scanned documents.

13. **Question:** What is the reason you are considering changing the auditor? / Any major reason why the Contra Cost Water District is considering a change of audit firms?

Answer: The District's past practice is to go through the RFP process for audit services every three to seven years.

14. **Question:** Have there been any changes in your accounting system or software since last year?

Answer: Accounting software was upgraded from IFAS to Finance Enterprise in September 2020. IFAS and Finance Enterprise are both Central Square Technology products. Finance Enterprise is a cloud-based system with a more modern user interface.

15. **Question:** **Have there been any major changes in staff turnaround in the past year?**

Answer: The Assistant General Manager-Administration retired in December 2020. No changes in Director of Finance, Accounting Manager, or other accounting leadership positions.

16. **Question:** **Do you expect to have any retirement or replacement of key employees?**

Answer: None known at this time.

17. **Question:** **Please list the staff members in finance and their years of experience with the organization at that position.**

Answer: Lizz Cook, Director of Finance, 1.5 years; Nicole Snegosky, Accounting Manager, 1.5 years; Tom Cranmer, Senior Accountant, 18 years; Kathy Ringot, Senior Accountant, 13 years; Jeff Tschudi, Senior Accountant, 1.5 years; Jennifer Santos, Payroll Analyst, 3 years.

18. **Question:** **What were the prior year fees? Did these fees include travel? / What were the prior year annual audit fee(s)? Please provide breakdown by report. / Are there any new services requested in this RFP that were not included in the prior year audit fee? / How much were the previous years' auditing fees? / What were the prior year fees? / Could you please provide a breakdown of the prior year audit fees by components?**

Answer: The request for proposal cover letter identifies an estimated value of \$91,000 annually for audit services. The District reserves the right to negotiate rates with any responsible, responsive proposer. See question 3 regarding any new services.

19. **Question:** **Please furnish us with copies of the most recent audited financial statements for:**

- a) **Contra Costa Water Authority**
- b) **Contra Costa Water District Retirement Plan**
- c) **Contra Costa Water District Other Post-Employment Benefits Trust**

Answer: 3 files to be posted on website with response to questions.

CCWA BFS 2020 Final Published.pdf

CCWD Retirement BFS 2020 Final Published.pdf

CCWD OPEB BFD 2020 Final Published.pdf

20. **Question:** **How long has the current auditors been performing the audit for the District?**

Answer: The current auditor was engaged from FY13 through FY20.

21. **Question:** **What is the desired timeline for:**

- **Interim**
- **Year-End**
- **Draft Reports**
- **Final Reports**

Answer: See [Audit Schedule](#) section of Request for Proposal #2128.

22. **Question:** **Will there be a Single Audit? (If so, please include the most recent copy of the report with your response). / Do you expect to have a single audit this year?**

Answer: The District does not know at this point whether it will qualify for Single Audit. The District was not subject to Single Audit for FY20.

23. **Question:** **If required, who does the State Controller's Financial Transaction Report preparation and submission? If the auditors, how much was the last year's fees?**

Answer: District staff prepare and submit the State Controller's Financial Transaction Report.

24. **Question:** **Has the District entered into any Major Contracts, Studies and/or Started any Projects in the Current Fiscal Year that would not be reflected in the Prior Year Financial Statements?**

Answer: No.

25. **Question:** **How did you measure the quality of the audit performed? / Are there any special qualities or unique characteristics you are looking for in the firm you select? / Is there anything specific that you are looking for with the successor auditors? / What are the things you liked and did not like about your current auditors?**

Answer: The selected firm should have depth of experience in auditing public sector entities of similar size and composition as the District, sound approach to providing audit services, strong references for similar audits, and a competitive professional fee. The characteristics of a successful audit are responsiveness, clear communication of items needed, and timely receipt of financial reports.

26. **Question:** **Is the District involved in any litigation not included in the Prior Year Financial Statements?**

Answer: No.

27. **Question:** **What audit areas, in your opinion, were cumbersome?**

Answer: Having the audit performed remotely required a lot more scanning of documents than in a typical audit.

28. **Question:** **What efficiencies would you like to see in the audit of the District's financials? / Is there anything you would like to see improved in your audit process?**

Answer: Auditor is expected to review the draft financials for typos, grammar, and formatting consistency to minimize the number of edit rounds required.

29. **Question:** **Due to the COVID pandemic restrictions and safety measures, will digital proposals be accepted in lieu of hard copies?**

Answer: See Introduction section of Request for Proposal #2128.

30. **Question:** **What type of accounting/bookkeeping system does the Contra Cost Water District use?**

Answer: See question #14.

31. **Question:** **Any major disagreements in regard to accounting principles or auditing procedures?**

Answer: None.

32. **Question:** **When will a closed trial balance be available for the audit with all closing entries recorded?**

Answer: Approximately the 1st or 2nd week of August.

33. **Question:** **How many major programs did you have last year?**

Answer: Last fiscal year the District had a total of eight funding programs.

34. **Question:** **How much were the total federal expenditures last year?**


Answer: \$639,929.64

35. **Question:** The RFP notes as part of the audit schedule that the final reports are to be printed and delivered October 15th but that the "Complete CAFR Review" is due December 1st. Could you please clarify what is meant by Complete CAFR Review as it relates to the schedule?

Answer: The auditor is expected to assist the District with addressing prior year GFOA CAFR comments and reviewing the CAFR prior to submission.

This document is available online at www.ccwater.com, and is hereby made an official part of [Request for Proposal #2128](#).

Thank you in advance for your cooperation.


Brian K. Jackson
Purchasing Officer
Contra Costa Water District

I acknowledge receipt of the foregoing Addendum #1.

Date: _____ Signature: _____

Please sign and return with your submitted proposal via email to Brian K. Jackson at bjackson@ccwater.com.