SQUAW VALLEY
PUBLIC SERVICE DISTRICT

McClintock Agreement for Auditing Services

DATE: August 28th, 2018

TO: District Board Members

FROM: Danielle Grindle, Finance & Administration Manager

SUBJECT: Audit Services & Fees for Fiscal Years Ending June 30th, 2018 and 2019

BACKGROUND: The District has engaged McClintock Accountancy to audit the basic financial statements of the District since Fiscal Year ending June 30th, 2013. In April of 2017, The District approved the reappointment for an additional three years; however, we only signed a one year engagement letter. We would now like to approve our contract for the remaining two years for the June 30th, 2018 and 2019 financial statements.

DISCUSSION: McClintock provided an audit proposal for the District's compiled financial statements for the years FY2017-2019. The proposal for the remaining two years is as follows:

June 30, 2018 audit and all reports, $17,400. GASB 68 $2,700.

June 30, 2019 audit and all reports, $17,900. GASB 68 $2,800.

Should single audit reports be required the fee would be $4,000. These fees are based on the actual time spent, plus out-of-pocket costs. . If significant additional time is necessary, this will be discussed with management and we will arrive at a new fee estimate before additional costs are incurred.

ALTERNATIVES: 1. Authorize General Manager to execute the Agreement to perform the audit of the District's FY2018 and FY2019 financials.
2. Decline authorization to execute the Agreement.

FISCAL/RESOURCE IMPACTS: Expenses will be allocated between the Fire, Water, and Sewer Departments for the services rendered.

RECOMMENDATIONS: Authorize General Manager to execute the contract with McClintock Accountancy to perform the audit of the District's FY2018 and FY2019 financial statements.

ATTACHMENTS: McClintock Audit Proposal (6 pages). A Statement of Qualifications can be provided upon request.

DATE PREPARED: August 21st, 2018

SQUAW VALLEY PUBLIC SERVICE DISTRICT

RE-APPOINTMENT
AS INDEPENDENT ACCOUNTANTS

April 10, 2017

Contact: Robert McClintock, CPA
PO Box 6179, Tahoe City, CA 96145
robert@mcclintockaccountancy.com
(530) 412-7081
(530) 583-5405 fax

SQUAW VALLEY PUBLIC SERVICE DISTRICT

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April 10, 2017

Squaw Valley Public Service District
PO Box 2026
Olympic Valley, CA 96146

Dear Board Members:

We are enthusiastic about submitting our proposal for re-appointment as independent accountants for Squaw Valley Public Service District. Following is our proposal for your review and consideration.

Please contact me should you have further questions. I look forward to speaking with you soon.

Sincerely,

McCLINTOCK ACCOUNTANCY CORPORATION

Robert McClintock

RM: ms

Enclosures

SQUAW VALLEY PUBLIC SERVICE DISTRICT AUDIT PROPOSAL EXECUTIVE SUMMMARY

April 2017

McClintock Accountancy Corporation proposes to be re-appointed as independent accountants for Squaw Valley Public Service District. We have successfully completed seven years of dedicated service for the District, and many years of dedicated service to several other public agencies in our area.

We understand the District's request for proposal for professional auditing services as outlined in the Request for Proposal includes:

- Examination of the District's financial statements in accordance with generally accepted auditing standards, governmental auditing standards, applicable California regulations, and the Single Audit Act, if necessary

- Review of current internal controls and practices, with recommendations for improvements, and a written report of findings in a management letter

- Preparation of 14 bound copies of the audited financial statements and an electronic copy

- Presentation of findings and results of the audit at one Board of Directors meeting

We are committed to completing the above work within the time frames stipulated by the District.

1. Insurance – Our firm carries professional liability insurance with a $2 million limit.

2. Independence – Our firm, its agents and employees will act in an independent capacity and not as officers, employees or agents of Squaw Valley Public Service District. We are not aware of any requirements as the District's independent accountants that cannot be met.

3. Scope – We anticipate that all work would be performed by members of our firm, and that no work would be subcontracted to other providers.

4. Records retention – Our firm policy of retaining audit working papers for seven years complies with California statutes and professional standards.

5. We have included a copy of our most recent peer review report, which contained the highest opinion possible.

6. Description of firm and firm qualifications– please refer to the enclosed Statement of Qualifications.

7. Our anticipated fees for the work are all inclusive as follows. We will discuss any additional fees with you in the event of additional work not anticipated.

June 30, 2017 GAGAS audit and all reports, $16,900. GASB 68 $2,600. Single audit if required, $4,000.

June 30, 2018 GAGAS audit and all reports, $17,400. GASB 68 $2,700. Single audit if required, $4,000.

June 30, 2019 GAGAS audit and all reports, $17,900. GASB 68 $2,800. Single audit if required, $4,000.

ALLEN & COOK, INC.
CERTIFIED PUBLIC ACCOUNTANTS

System Review Report

October 27, 2015

To the Owners
McClintock Accountancy Corporation
and the Peer Review Committee of the CA Society of CPA's

We have reviewed the system of quality control for the accounting and auditing practice of McClintock Accountancy Corporation (the firm) in effect for the year ended March 31, 2015. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by standards, engagements selected for review included engagements performed under *Government Auditing Standards*; and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of McClintock Accountancy Corporation in effect for the year ended March 31, 2015, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies) or fail. McClintock Accountancy Corporation received a peer review rating of pass.

Allen & Cook, Inc.

Allen & Cook, Inc.