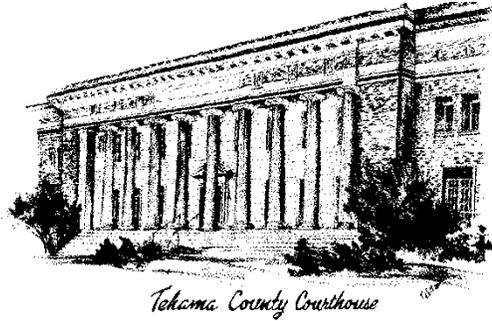


*Board of Supervisors*  
**COUNTY OF TEHAMA**

District 1 – Rob Burroughs  
District 2 – Tom Walker  
District 3 – Steve Zane  
District 4 – Matt Hansen  
District 5 – Greg Jones



Gabriel Hydrick  
Chief Administrator

**ADDENDUM NO. 1**  
**To Request for Proposal for the Annual Financial Statements and Single Audit**

Issued: February 25, 2026

This Addendum No. 1 is issued to provide responses to questions received regarding the above-referenced Request for Proposal (RFP) for Audit Services.

**IMPORTANT:** This Addendum shall become part of the RFP documents. All proposers shall acknowledge receipt of this Addendum in their proposal submission.

Except as specifically modified herein, all terms and conditions of the original RFP remain unchanged.

This Addendum consists of a total of 11 pages.

**PLEASE NOTE THAT THE PROPOSAL DUE DATE HAS NOT CHANGED. PROPOSALS ARE STILL DUE BY 5:00 PM MARCH 2, 2026. PROPOSALS MUST BE SUBMITTED ELECTRONICALLY IN PDF FORMAT TO [ASEARCY@TEHAMA.GOV](mailto:ASEARCY@TEHAMA.GOV) AND [KPETERSON@TEHAMA.GOV](mailto:KPETERSON@TEHAMA.GOV) .**

**Questions & Responses:** Please see Attachments “A” through “C”.

**Attachments:**

- A** - Questions and Response set No. 1
- B** - Questions and Response set No. 2
- C** - Questions and Response set No. 3

For questions, please contact:

Arinda Searcy, Administrative Analyst  
Tehama County Administration  
727 Oak Street  
Red Bluff, CA 96080  
ph: 530-527-4655, ext. 3021  
fax: 530-527-3764  
[asearcy@tehama.gov](mailto:asearcy@tehama.gov) and [kpeterson@tehama.gov](mailto:kpeterson@tehama.gov)

## **Attachment A – Questions & Response set No. 1**

### **1. What is the reason for the City to switch auditor's?**

The Grand Jury actually requested that the audit firm be switched every two years in order to better identify anomalies not seen by previous audit firms. However, this is too costly and time-consuming for both Auditor staff and the audit firm. Instead, the county generally contracts for 3 years with the possibility of an extension up to 2 years.

### **2. Has the City experienced any audit delays or reporting challenges in recent years?**

No. Audits and reporting are always on time.

### **3. What was the prior year audit fee?**

The fee for 24/25 audit is \$72,350

### **4. Was there any new debt/bond issuance done in the current year? Are any anticipated during the contract term?**

Nothing new anticipated

### **5. Will the City require assistance with CAFR preparation or is the CAFR prepared by finance department of the City?**

Yes. The County requires the audit firm to compile the CAFR and the Single Audit and submit to appropriate reporting agency. The county provides information, prepares various schedules and completes the MD&A.

### **6. Are there deadlines tied to Council review, CAFR submission, or bond/continuing disclosure requirements?**

The deadline for us is typically no later than February 28<sup>th</sup>. This is so we are submitting the audits timely and because we need documents for continuing disclosure requirements. It would be preferable to receive final documents even sooner.

### **7. Is it expected that the auditor will attend specific meetings during the contract term? If so, what are the dates of these scheduled events?**

We only have 3 staff that work closely with the audit firm and we try to work around audit firm schedule. We typically have a conference in Oct each year, but otherwise, we can generally be flexible with our time.

### **8. Is remote fieldwork acceptable, or is on-site presence preferred? If on-site presence is preferred, is there also a preferred period of time to be on-site.**

Yes. It actually works best for our staff when the firm does work remotely, but we are okay with onsite visits as well.

**9. Does the City expect to meet Single Audit thresholds during the contract term?**

Yes. We always meet the thresholds for Single Audit. This needs to be considered when quoting the audit. We also have to report California State of Emergency Services and Board Corrections in our single audit.

Note: We also require the GANN limit audit by the firm

## Attachment B – Questions & Response set No. 2

**1. Is there anything specific you are looking for in the successor auditors?**

Nothing in particular. We just want a company that is willing to work with us and understands that we are not CPA's and require some guidance from time to time

**2. How many staff did the audit team consist of for both interim and year-end, and how many weeks did the auditor spend in the field?**

The audit team is typically rotated by the audit firm, so we don't always work with the same individuals each year. However, the assigned team typically includes a Principal Auditor, a Senior Associate of some sort and then 3 to 4 other team members that we work with consistently throughout both interim and final audit. Not sure how many work in the background that aren't in our week On the Auditors office side, there are 3 of us that deal with all aspects of the audit.

**3. How many audit hours did your current auditors propose under your existing contract?**

For all phases – 622 hours

**4. What were the prior year's total audit fees, and can you provide the breakdown by components?**

<u>Classification</u>	<u>Hourly Rate</u>	<u>Estimated Hours</u>
Principals/Partners	\$225	55
Managers/Supervisors	\$200	115
Senior Associates	\$140	172
Semi-Senior, Junior Associates	\$110	260
Administrative	\$80	20
<b><u>Cost Schedule</u></b>		
1. County's Basic Financial Statements	\$49,800	
2. Schedule of Expenditures of Federal Awards/Annual Single Audit	\$20,300	
3. California State Office of Emergency Services and Board of Corrections	\$1,500	
4. Appropriation of Limitation Calculation	\$750	
<b>Total Proposed Cost FY ending June 30, 2025</b>	<b>\$72,350</b>	

**5. Are there any significant changes in operations expected for FY 2025-26?**

No

**6. Were there any significant events in 2024-25? Will there be any significant events in FY 2025-26?**

We will have the completion of the Jail Expansion project, so Jail activity will potentially increase. Also looking at a tax initiative. If that passes, it will affect 2026/27.

**7. Have there been any changes in your accounting system since last year or any planned changes in the future?**

Yes. The county transitioned from Finance Pro to Finance Enterprise. Both are Central Square products. This affected the 24/25 audit, but will not impact audits going forward with a new firm.

**8. Were there any new bond issues in the current year or any planned bond issuances in the coming years?**

No new bonds and none that I am aware of in the near future.

**9. How many leases and subscription arrangements does the County have?**

The County has many subscriptions and leases, but per requirements of GASB 87 & 96, only 29 subscriptions and 19 leases are included in our Capital Asset information of the financial statement.

**10. How many post-closing journal entries did you have for FY 2024? How many were proposed by the auditor?**

Maybe a dozen. 56 proposed by auditors...most of the journals are just done on firm's end to record OPEB liability, PERS liability, reclassification of fair market value, etc...The county only records Internal Service Fund journals for Pers. OPEB, Deferred Inflows, Deferred Outflows and any correcting entries identified during the audit.

**11. Is there any litigation not included in the FY 2025 Financial Statements?**

Not that I am aware of. This information comes from County Counsel.

**12. Did the County have any layoffs, retirements, or replacements of key employees in the finance department?**

No

**13. Do you currently have vacant or frozen positions within finance?**

One vacancy, but not a key position to audit functions.

**14. Was the FY 2025 audit performed remotely?**

Yes If so, is the County open to continuing remote audits in the future? Yes. I actually prefer them. It is less disruptive to staff and allows us time to gather information and respond to audit requests.

**15. What is the desired timeline for:**

**a. Interim** – September for accruals, but we can do other preliminary things **earlier...such as investments, long term debt, questionnaires, procedures, info related to property tax accounts, banking reconciliation, cash with fiscal**

**b. Field Work** – Any time between October and December

## **Attachment C – Questions & Response set No. 3**

### **1. Has there been any turnover in management during the past year?**

No

### **2. Has there been any turnover in accounting staff during the past year?**

No

### **3. What accounting software do you use? Any plans for change?**

We recently switched from Central Square product Finance Pro to Central Square product Finance Enterprise. We are fully functional on the new software...Finance transitioned in 2024/25 and Payroll went live in August of 2025, as such payroll reporting may look slightly different in 2025/26 reporting.

### **4. How many journal entries were proposed by the auditor in the prior year?**

We haven't received proposed journals for 2024/25 audit yet, but for 23/24, we received 56 journals from the audit firm but didn't post them all. Most of the journals presented to us are for recording and reclassify things related to OPEB, PERS liabilities, fair market value, deferred inflow/outflows. We post journals related to Internal Service Funds, but not governmental...unless it is a correcting entry. Many of the proposed entries were to adjust beginning equity balances related to, however, the ones that are out are due to us not posting certain activities in the financial system. Previous audit firms have always just listed those entries as "audit firm" adjustments only.

### **5. Are any management letter comments outstanding from the prior year?**

Yes. We still don't post all journal entries. We did provide a breakdown for fair market value but didn't post it to the financial system. I haven't received the 2024/25 Management Letter to see if these issues are still deemed unresolved.

### **6. May we receive a copy of last year's management letter?**

A copy is attached as Exhibit 1.

### **7. How many major programs are subject to a Single Audit?**

Generally, 3 programs

### **8. Any known or suspected fraud?**

No

### **9. When will the books be ready for the audit?**

The county prepares schedules and provides information to the audit firm. Part of the contract and requirements for the selected auditing firm is to create the ACFR and Single Audit on behalf of the county. We generally try to close books at our end by the end of October.

**10. Are financial records available electronically?**

If you mean does the firm have access to our financial system – “No”. If you mean – does the county provide records electronically – “Yes”

**11. Is remote auditing acceptable?**

Yes. This is acceptable and is preferable. It often takes time and coordination with county departments to provide back-up data related to testing...remote auditing allows us to send things as we receive them from the departments. I can tell you our office is very responsive and quick to gather and provide requested information.

**12. Who prepares the financials?**

Various schedules are prepared in the auditor’s office. These are done by the Auditor, Asst Auditor & Auditor Accountant. We rely on the audit firm to create the ACFR & Single Audit

**13. Were there any significant transactions (e.g., bond issuance, leases) during the year?**

No

**14. Significant changes to operations or funding sources?**

No

**15. Significant construction or capital projects?**

Yes. The Jail Expansion project is due to finalize in the 2025/26 fiscal year.

**16. Any audits or inspections by regulatory agencies?**

Nothing out of the ordinary...departments have audits from grantors, state agencies, etc., but nothing extraordinary

**17. Any changes to the governance structure of the County?**

No

**18. Is the incumbent auditor invited to bid?**

Yes

**19. What were the audit fees for the prior year?**

Fees for 2024/25 are \$72,350

<b>Classification</b>	<b>Hourly Rate</b>	<b>Estimated Hours</b>
Principals/Partners	\$225	55
Managers/Supervisors	\$200	115
Senior Associates	\$140	172
Semi-Senior, Junior Associates	\$110	260
Administrative	\$80	20
<b>Cost Schedule</b>		
1. County's Basic Financial Statements	\$49,800	
2. Schedule of Expenditures of Federal Awards/Annual Single Audit	\$20,300	
3. California State Office of Emergency Services and Board of Corrections	\$1,500	
4. Appropriation of Limitation Calculation	\$750	
<b>Total Proposed Cost FY ending June 30, 2025</b>	<b>\$72,350</b>	

**20. May we receive a copy of last year's California State Office of Emergency Services and Board of Corrections report?**

A copy is attached as Exhibit 2.

# Exhibit 1



CliftonLarsonAllen LLP  
CLAconnect.com

Management  
County of Tehama  
Red Bluff, California

In planning and performing our audit of the financial statements of County of Tehama as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the entity's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and other matters that are opportunities to strengthen your internal control. Our comments and suggestions regarding those matters are summarized below. We previously provided a written communication dated February 25, 2025, on the entity's internal control. A separate communication dated February 25, 2025, contains our written communication of material weaknesses in the entity's internal control. This letter does not affect our report on the financial statements dated June 30, 2024, nor our internal control communication dated June 30, 2024.

#### Recording Audit Adjustments

As a result of our audit, we proposed numerous adjustments to correct the trial balance as originally provided to us for audit. Most of these adjustments proposed were to reconcile beginning equity to the prior year audit report since the County currently does not have a process in place to record audit adjustments. Adjustments were necessary in basic areas such as receivables, unavailable revenue, unearned revenue, and net pension liability and total OPEB liability and related deferred inflows and outflows. We strongly recommend that the Auditor-Controller's Office record all audit adjustments and reconcile beginning equity to the prior year audit before closing its books. This matter should be corrected as soon as possible to have reliable financial statements in order to facilitate well-informed management decisions.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various entity personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, Board of Supervisors, and others within the entity, and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Roseville, California  
February 25, 2025

# Exhibit 2

Contact information

Department:	District Attorney's Office
Contact Person:	Theresa Sweeney
Telephone:	530-527-3053
Email:	<a href="mailto:tsweeney@tehama.gov">tsweeney@tehama.gov</a>

COUNTY OF TEHAMA  
Schedule of the Office of Emergency Services  
and the Department of Corections and Rehabilitation Programs  
For the Year Ended June 30, 2025

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2024	For the Year Ended June 30, 2025	Cumulative As of June 30, 2025	Federal Share	State Share	County Share
<b>Grant # and Name:</b>						
<b>VW 23 28 0520 - Victim/Witness Grant (grant period: 10/1/23 - 9/30/24; reporting period: 7/1/24 - 9/30/24)</b>						
Personal services	\$ 211,004.00	\$ 83,833.00	\$ 294,837.00	\$ 83,833.00	\$ -	\$ -
Operating expenses	7,499.00	1,545.00	9,044.00	1,545.00	-	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ 218,503.00</u>	<u>\$ 85,378.00</u>	<u>\$ 303,881.00</u>	<u>\$ 85,378.00</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Grant # and Name:</b>						
<b>VW 24029101 - Victim/Witness Grant (grant period: 10/1/24 - 9/30/25; reporting period: 10/1/24 - 6/30/25)</b>						
Personal services	\$ -	\$ 191,228.00	\$ 191,228.00	\$ 56,827.00	\$ 134,401.00	\$ -
Operating expenses	-	12,457.00	12,457.00	12,457.00	-	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ -</u>	<u>\$ 203,685.00</u>	<u>\$ 203,685.00</u>	<u>\$ 69,284.00</u>	<u>\$ 134,401.00</u>	<u>\$ -</u>
<b>Grant # and Name:</b>						
<b>XC23 01 0520 - County Victim Services Grant (grant period: 1/1/24 - 12/31/24; reporting period: 7/1/24 - 12/31/24)</b>						
Personal services	\$ 27,958.00	\$ -	\$ 27,958.00	\$ -	\$ -	\$ -
Operating expenses	17,829.00	45,346.00	63,175.00	45,346.00	-	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ 45,787.00</u>	<u>\$ 45,346.00</u>	<u>\$ 91,133.00</u>	<u>\$ 45,346.00</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Grant # and Name:</b>						
<b>HA23 01 0520 - Human Trafficking Advocacy Program (grant period: 1/1/24 - 12/31/24; reporting period: 7/1/24 - 12/31/24)</b>						
Personal services	\$ -	\$ 67,371.00	\$ 67,371.00	\$ 67,371.00	\$ -	\$ -
Operating expenses	9,341.00	17,810.00	27,151.00	17,810.00	-	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ -</u>	<u>\$ 85,181.00</u>	<u>\$ 94,522.00</u>	<u>\$ 85,181.00</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Grant # and Name:</b>						
<b>HA24029101 - Human Trafficking Advocacy Program (grant period: 1/1/25 - 12/31/25; reporting period: 1/1/25 - 6/30/25)</b>						
Personal services	\$ -	\$ 49,438.00	\$ 49,438.00	\$ -	\$ 49,438.00	\$ -
Operating expenses	-	802.00	802.00	802.00	-	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ -</u>	<u>\$ 50,240.00</u>	<u>\$ 50,240.00</u>	<u>\$ 802.00</u>	<u>\$ 49,438.00</u>	<u>\$ -</u>