

**Karuk Community Health Clinic**  
64236 Second Avenue  
Post Office Box 316  
Happy Camp, CA 96039  
Phone: (530) 493-5257  
Fax: (530) 493-5270

# Karuk Tribe



**Karuk Dental Clinic**  
64236 Second Avenue  
Post Office Box 1016  
Happy Camp, CA 96039  
Phone: (530) 493-2201  
Fax: (530) 493-5364

## **Administrative Office**

Phone: (530) 493-1600 • Fax: (530) 493-5322  
64236 Second Avenue • Post Office Box 1016 • Happy Camp, CA 96039

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### **Request for Proposals**

18-RFP-017

**For More Information:** Laura Mayton (530) 493-1600 Ext 2013

**Proposal Deadline:** June 15<sup>th</sup>, 2018 by 5:00 p.m. (PST)

The Karuk Tribe requests proposals to perform audits and to express opinions on the financial statements of the Karuk Tribe, Karuk Tribe Housing Authority, Karuk Community Development Corporation, Karuk New Markets, and Rain Rock Casino for the years ending September 30, 2018, 2019, 2020, 2021 and 2022. Each of these entities will require a separate audit report. The Karuk Tribe Housing Authority and the Karuk Community Development Corporation are component units of the Karuk Tribe. The Karuk New Markets is a Qualified Active Low Income Community Business (QALICB). The Rain Rock Casino is an enterprise of the Karuk Tribe which opened for business on April 14, 2018. In addition to the individual entity audits, combined financial information is required to be reported in the Karuk Tribe's audit report.

All questions and correspondence should be directed to Laura Mayton, Chief Finance Officer, in writing at the Administrative Office address listed above, by email at [lmayton@karuk.us](mailto:lmayton@karuk.us) or by calling (530) 493-1600, ext. 2013.

### **Nature of the Services Required:**

The Karuk Tribe and its component units currently have the following grants with expenditures in excess of a half a million dollars each:

1. Indian Health Services Compact (IHS)
2. Health Resources and Services Administration (HRSA)
3. Bureau of Indian Affairs Compact (BIA)
4. U. S. Department of Transportation – Indian Reservation Roads (IRR)
5. Temporary Assistance for Needy Families (TANF)
6. Native American Housing Assistance and Self Determination Act (NAHASDA)
7. Bureau of Reclamation (BOR)
8. Head Start
9. Bureau of Indian Affairs Fire Crew
10. Western Klamath Restoration Partnership (WGRP)

All funds of the Karuk Tribe, Karuk Tribe Housing Authority, and Karuk Community Development Corporation, including the Fixed Asset and Long-term Debt Account Groups, and approximately 100 federal/state/foundation grants shall be included in the audit in accordance with (1) generally accepted auditing standards as included in Statements on Auditing Standards, published by the American Institute of Certified Public Accountants, (2) Government Auditing Standards, the GAO Guidelines for Financial and Compliance Audits of Federally Assisted Programs, (4) OMB Circular A-133, Audits of State and Local Governments and Other Non-Profit Organizations, and (5) Native American Housing and Self Determination Act (NAHASDA) funding guidelines, for the fiscal years ending September 30, 2018, 2019, 2020, 2021 and 2022.

These audits shall be full scope financial and compliance audits and the following transactions will be required:

- Render an opinion on the Tribe's general-purpose financial statements and related supplementary schedule of expenditures of federal awards;
- Render a report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with *Government Auditing Standards*; and
- Render a report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133.

An exit conference will be held with the Chief Financial Officers of the entities, the Executive Directors of the entities, selected Tribal Council members and other staff. A copy of the auditor's working trial balance, along with a detailed summary of the programs which make up each combined total, will be provided to the Karuk Tribe to facilitate reconciliation to the general ledger.

**Description of the Entity to be Audited:**

The Karuk Tribe is a federally recognized Indian Tribe whose constitution was formally adopted by its members on April 17, 1985. It has been determined that the Karuk Tribe is a primary government based upon the fact that it is legally separate, its governing body is separately elected, and it is fiscally independent of other governments. The Tribe uses fund accounting to report on its financial position and the results of its operations. The Karuk Tribe Housing Authority is an entity of the Karuk Tribe which manages the housing operations which are funded primarily by NAHASDA. This includes low income rent units, lease purchase units and elder's life estates located in multiple communities. KTHA entered into a tax credit partnership to build 30 new homes in Yreka, CA. The homes are complete. The partnership has a calendar year end, and it is audited by an independent auditor, but the work is outside the scope of this agreement. The Karuk Community Development Corporation is a Tribally Chartered Corporation which operates the Tribe's limited for profit businesses including a smoke shop and an aggregate business. The Karuk Tribe also passes certain funds through to KCDC to operate programs including Head Start and the BIA Fire Crew.

The Rain Rock Casino which opened on April 14, 2018 is located in Yreka California. The Casino has 349 Class III slot machines, 8 table games, a bar, and a restaurant.

The Karuk New Markets is a Qualified Active Low Income Community Business (QALICB) created in fiscal year 2018 to help fund a wellness center and a family services center in Happy Camp, CA.

**Assistance Available to the Auditing Firm:**

In addition to the financial statements, the Karuk Tribe's accounting staff will prepare the Management Discussion and Analysis Report, SEFA, notes to the financial statements, depreciation schedules and other required supplemental schedules. The Karuk Tribe's accounting staff will be available to pull, reproduce, and upload documents. The accounting staff will also be available to answer questions and offer general support to the audit staff. Computer equipment will not be available to the audit staff except for access to generate reports from the Tribe's accounting system.

**Report Requirements:**

The report should be addressed to the Karuk Tribal Council and should include all required financial statements, notes to the financial statements, supplementary schedules and the schedule of expenditures of federal awards.

A summary of auditor’s findings is required and should include a statement of audit findings and recommendations affecting the financial statements and federal programs, internal controls, accounting systems, legality of actions, other instances of noncompliance with laws and regulations and any other material matters.

**Required Schedule of Events for Audits:**

Date of RFP posting	May 9, 2018
Deadline for submission of proposals	June 15, 2018
Date of contract award	<u>Prior to July 6, 2018</u>
Date of delivery for final FY 2018 audit reports	<u>Prior to June 30, 2019</u>
Date of delivery for final FY 2019 audit reports	<u>Prior to June 30, 2020</u>
Date of delivery for final FY 2020 audit reports	<u>Prior to June 30, 2021</u>
Date of delivery for final FY 2021 audit reports	<u>Prior to June 30, 2022</u>
Date of delivery for final FY 2022 audit reports	<u>Prior to June 30, 2023</u>

**Information Requested from the Auditing Firm:**

1. Title page including firm name, local address, telephone number, and name of contact person.
2. Table of contents including a clear identification of the materials by section and by page number.
3. Letter of transmittal limited to one or two pages which will:
  - Briefly state your understanding of the work to be performed and make a positive commitment to perform the work within the time period;
  - State the all-inclusive fee for which the work will be completed, preferably broken down by each entity (Karuk Tribe, Karuk Tribe Housing Authority, Karuk Community Development Corporation, Karuk New Markets, and Rain Rock Casino);
  - State the names of the persons who will be authorized to make representations for you, their titles, addresses and telephone numbers; and
  - State that the person signing the letter is authorized to bind your firm.
4. Profile of your firm which includes:
  - Whether your firm is local, regional, national or international;
  - The location of the office from which the work is to be done and the number of partners, managers, supervisors, seniors and other professional staff employed at that office;

- Description of the range of activities performed by the local office such as auditing, accounting, tax service or management services; and
- Description of the local office's capability to audit computerized systems.

5. Mandatory criteria will be:

- Affirmation that your firm is a properly licensed certified public accountant or public accounting firm;
- Affirmation that your firm meets GAO independence standards; and
- Attachment of your last two peer reviews and any letters of comment received.

6. Summary of your firm's qualifications which will:

- Specifically identify the supervisors and staff who will work on the audit. Resumes including relevant experience and continuing education for each person to be assigned to the audit should be included (the resumes may be included as an appendix); and
- Describe all recent Indian Tribal experience similar to the type of audit requested and give the names and telephone numbers of client officials responsible for five of the audits listed.

7. Approach to the examination and submission of a work plan to accomplish the scope defined above. The work plan should include time estimates for each significant segment of the work and the staff level to be assigned.

8. Compensation section shall state the total hours and hourly rates for each staff classification and the resulting all-inclusive maximum fee (including out-of-pocket travel costs) for which the requested work will be done.

The Karuk Tribe reserves the right to reject any and all proposals submitted and to request additional information from all prospective auditors. Any award made will be to the firm which, in the opinion of the Karuk Tribe, is the most qualified.

**Responses must be received by 5:00 p.m. June 15, 2018 to:**

Emma Lee Perez, Contract Compliance Specialist  
Karuk Tribe  
Post Office Box 1016  
Happy Camp, CA 96039  
emmaleeperez@karuk.us

**In accordance with the Indian Preference Act of 1934 (Title 25, USC, Section 47) and the Tribal Employment Rights Ordinance (TERO), Indian Preference will apply in the selection process.**