TUOLUMNE FIRE SAFE COUNCIL, INC.
REQUEST FOR PROPOSALS
Independent Audit Services

RFP No. TFSC-2026-AUD-01
Issue Date: August 28, 2026
Proposal Due Date: September 25, 2026 at 5pm
Anticipated Contract Award: October 26, 2026
Anticipated Audit Commencement: November 1, 2026

1. Notice Inviting Proposals

The Tuolumne Fire Safe Council, Inc. (TFSC), a California nonprofit public benefit corporation and tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, invites qualified independent certified public accounting firms to submit proposals to provide independent audit services.

TFSC is seeking an experienced CPA firm capable of conducting an independent financial statement audit of the organization in accordance with applicable professional standards and providing management with recommendations concerning internal controls, accounting procedures, financial reporting, and grant compliance.

TFSC administers substantial public and grant-funded resources, including California Department of Forestry and Fire Protection (CAL FIRE) grant funds and other governmental and nonprofit funding. Accordingly, TFSC is particularly interested in firms with demonstrated experience auditing nonprofit organizations receiving governmental grants and managing significant restricted funding.

The selected firm will work directly with the Executive Director, designated management personnel, and the TFSC Board of Directors and/or its designated Audit Committee.

TFSC reserves the right to reject any or all proposals, waive minor irregularities, request clarification or additional information, negotiate with one or more proposers, and select the proposal determined to be in the best interests of the organization.

2. Organizational Background

Tuolumne Fire Safe Council, Inc. is a California nonprofit public benefit corporation established to support wildfire preparedness, prevention, mitigation, community resilience, and related fire-safe activities.

TFSC works with federal, state, county, municipal, and community partners to implement wildfire risk-reduction programs and projects.

TFSC administers multiple grant-funded projects, including fuels reduction, shaded fuel break, vegetation management, community preparedness, and related activities.

TFSC has experienced significant growth in its grant portfolio and financial activity. The organization currently manages substantial governmental grant resources and has developed increasingly formal financial, procurement, internal-control, grant-management, and board-governance systems.

Because of this growth, TFSC is seeking an independent audit firm that can provide not only a technically sound audit but also practical recommendations that will strengthen the organization's financial management and audit readiness.

3. Purpose of the RFP

The purpose of this RFP is to select an independent CPA firm to perform an audit of TFSC's financial statements and related activities.

1. Express an independent opinion on the Council's financial statements in accordance with Generally Accepted Accounting Principles (GAAP).
2. Evaluate internal controls over financial reporting and communicate any significant deficiencies or material weaknesses.
3. Assess compliance with applicable federal, state, and local laws, grant agreements, contracts, and donor restrictions.
4. Verify the accuracy and completeness of accounting records, supporting documentation, and financial statement disclosures.
5. Evaluate financial management practices, policies, and procedures related to safeguarding organizational assets and financial stewardship.
6. Provide recommendations to strengthen internal controls, accounting procedures, and financial reporting practices, when appropriate.
7. Present audit results to the Board of Directors, including the Independent Auditor's Opinion, required communications under Generally Accepted Auditing Standards (GAAS), any Management Letter, internal control findings, and recommendations for corrective action.
8. Promote transparency, accountability, and public confidence in the Council's financial management.
9. Consider compliance with grant requirements, accounting for restricted funds, procurement practices, and the Council's readiness for future grant monitoring and funding agency reviews.

4. Scope of Services

The selected firm shall provide all professional services necessary to complete the engagement.

4.1 Independent Financial Statement Audit

The auditor shall conduct an independent audit of TFSC's financial statements for the fiscal year ending June 30, 2026, including, as applicable:

- Statement of financial position.
- Statement of activities.
- Statement of functional expenses.
- Statement of cash flows.
- Notes to the financial statements.
- Any other financial statements or schedules required under applicable accounting standards.

The audit shall be conducted in accordance with applicable professional auditing standards. The auditor shall issue an independent auditor's report expressing an opinion on the financial statements.

5. Accounting Framework

The audit shall be conducted using the applicable accounting and auditing standards for a nonprofit organization. The auditor shall advise TFSC regarding any material accounting standards, disclosures, classifications, or reporting requirements applicable to the organization. The auditor shall identify significant accounting issues that require management attention and communicate them to management and the Board.

6. Grant and Restricted-Funding Review

Because TFSC administers significant governmental and restricted grant resources, the auditor shall have demonstrated competence in accounting for grant-funded activities.

- Restricted contributions.
- Governmental grants.
- Grant advances and reimbursements.
- Grant receivables and deferred grant revenue.
- Grant expenditures and matching requirements.
- Indirect/administrative costs.
- Personnel and employee-benefit allocations.
- Contractual and procurement expenditures.
- Grant closeouts.
- Interfund or project transfers.
- Restricted versus unrestricted funds.
- Compliance with applicable grant agreements.

The auditor shall identify any accounting or documentation practices that could create risk to TFSC's ability to substantiate grant expenditures.

7. Historical Records and Opening Balances

TFSC has undergone significant organizational and financial growth and has been strengthening its financial-management and record-retention systems. The selected auditor should be prepared to address circumstances in which historical documentation may be incomplete, inconsistent, or maintained in formats that differ from current practices.

- Evaluate opening balances and prior-period information as necessary to complete the audit.
- Identify material limitations in available documentation.
- Distinguish between documentation deficiencies and actual financial misstatements.
- Communicate material concerns to management.
- Recommend corrective procedures for future periods.
- Work with management to identify reasonable alternative audit procedures when appropriate.
- Clearly identify any scope limitations resulting from unavailable records.

The auditor shall not assume that an absence of documentation automatically constitutes a financial misstatement. The auditor shall apply appropriate professional judgment and auditing procedures.

8. Internal Control Review

The auditor shall evaluate internal controls relevant to the financial statements, including the following areas:

Cash and Banking

- Bank reconciliations
- Authorized signers
- Check issuance
- Electronic payments
- Cash receipts and deposits
- Segregation of duties

Expenditures

- Invoice approval
- Purchase authorization
- Procurement procedures
- Credit card expenditures
- Reimbursements
- Contractor payments
- Supporting documentation

Payroll

- Payroll authorization
- Employee classifications
- Timekeeping
- Salary approvals
- Benefits
- Allocation of personnel costs to grants

Grants

- Grant accounting
- Grant tracking
- Restricted funds
- Advance payments
- Reimbursements
- Expenditure eligibility
- Cost allocation
- Grant reporting

Board Governance

- Board approvals
- Financial reporting to the Board
- Conflict-of-interest controls
- Related-party transactions
- Budget approval
- Expenditure authorization

Financial Reporting

- Month-end closing
- General ledger controls
- Journal entries
- Financial statement preparation
- Account reconciliations
- Year-end closing

9. Management Letter

The selected auditor shall provide a written management letter identifying significant recommendations arising from the engagement. The management letter should distinguish, as appropriate, between material weaknesses, significant deficiencies, control deficiencies, accounting issues, compliance concerns, documentation issues, and best-practice recommendations.

Recommendations should be practical and prioritized according to risk. Where appropriate, recommendations should identify: Finding → Risk → Recommendation → Management Response.

10. Communication with the Board of Directors

The selected auditor shall provide a formal presentation to the TFSC Board of Directors upon completion of the audit. The presentation should include the audit opinion; significant audit findings; internal-control observations; grant-related observations; material accounting issues; management-letter recommendations; changes from prior-year financial reporting; significant risks identified; and recommendations for improvement.

The auditor shall be available to answer questions from the Board.

11. Federal Award Requirements

If applicable to the fiscal year under audit, the proposer shall identify whether TFSC's federal award expenditures trigger a Single Audit under 2 CFR Part 200, Subpart F, and shall be capable of performing the required engagement if applicable.

- Whether Single Audit services are included in the proposed fee.
- The applicable federal-award threshold considered.
- Whether a Schedule of Expenditures of Federal Awards (SEFA) would be required.
- Whether major-program testing would be required.
- Any additional costs associated with a Single Audit.

The auditor shall not assume that all governmental grant funding is subject to federal Single Audit requirements. Applicability shall be determined based on the source and nature of awards and applicable regulations.

12. Audit Deliverables

- Independent Auditor's Report.

- Audited financial statements.
- Notes to the financial statements.
- Management representation letter.
- Communication of significant audit matters, as applicable.
- Management letter.
- Internal-control findings and recommendations.
- Grant-related findings, if applicable.
- Required federal or governmental audit schedules, if applicable.
- Final electronic copies of all reports.

13. Audit Timeline

Milestone	Date
RFP Issued	August 28, 2026
Questions Due	September 11, 2026
TFSC Responses Issued	September 18, 2026
Proposals Due	September 25, 2026
Evaluation	October 2, 2026 – October 9, 2026
Interviews, if necessary	Week of October 12 – 16, 2026
Recommendation to Board	Oct 20, 2026
Board Approval	October 27, 2026
Engagement Letter Executed	October 29, 2026
Preliminary Planning	November 2, 2026
Fieldwork	TBD
Draft Financial Statements	December 2026
Management Review	January 2027
Final Audit	February 1, 2027
Board Presentation	February 23, 2027

Proposers should identify any modifications to this schedule that they believe are necessary. TFSC's preferred objective is to have the final audit completed sufficiently early to support grant applications, governmental reporting, Board oversight, and other organizational requirements, no later than March 1, 2026.

14. Auditor Qualifications

The firm shall:

- Be legally authorized to provide CPA services in California.
- Maintain active professional licensing in good standing.
- Maintain professional liability insurance appropriate for the engagement.
- In compliance with professional peer review standards.
- Have experience conducting nonprofit financial statement audits.
- Have experience auditing organizations receiving governmental grants.
- Have demonstrated knowledge of nonprofit accounting.
- Have qualified personnel available to complete the engagement.
- Maintain independence from TFSC.
- Have no unresolved conflict of interest that would impair independence.

15. Preferred Qualifications

- Extensive nonprofit audit experience.
- Experience with California nonprofit organizations.
- Experience with government-funded nonprofits.
- CAL FIRE or other state grant audit experience.
- Federal grant audit experience.
- Single Audit experience.
- Government Auditing Standards experience.
- Experience with organizations experiencing rapid financial growth.
- Experience correcting historical accounting/control issues.
- Experience with organizations receiving restricted grants.
- Experience communicating with nonprofit boards.
- Experience developing practical internal-control improvements.

16. Peer Review

Each proposer shall provide a copy of its most recent peer-review report and related acceptance letter or other documentation demonstrating the status of its peer review.

- Date of most recent peer review.
- Type of peer review.
- Rating.
- Peer-reviewing organization.
- Any significant deficiencies identified.
- Corrective actions, if applicable.
- Whether the firm is currently in good standing.

A proposer receiving a substandard peer-review result must disclose the result and provide an explanation.

17. Independence

The proposer shall disclose all circumstances that could reasonably be expected to impair, or appear to impair, the firm's independence. The selected firm shall maintain independence throughout the engagement. The proposer shall disclose whether it or any member of the proposed engagement team currently provides, or has recently provided, services to TFSC other than independent audit services.

18. Conflict of Interest

The proposer shall disclose any actual, potential, or perceived conflict of interest involving TFSC, TFSC Board members, TFSC employees, TFSC contractors, significant grantors, government agencies, related entities, or other parties associated with the engagement. TFSC may reject a proposal if a conflict would compromise auditor independence.

19. Proposal Requirements

A. Cover Letter

- Firm name, address, primary contact, telephone, email, California CPA license information, authorized representative, and proposed engagement partner.

B. Firm Qualifications

- Firm history, number of professional staff, audit practice size, nonprofit audit experience, government grant audit experience, and relevant California experience.

C. Relevant Experience

- At least three nonprofit audit references, preferably organizations with governmental grant funding and annual budgets or grant portfolios comparable to TFSC. Include organization, contact person, contact information, nature of services, approximate organization size, and years served.

D. Proposed Audit Team

- Engagement partner, audit manager, senior auditor, and other key personnel, with qualifications and relevant experience. TFSC reserves the right to approve substitutions of key personnel after award.

E. Audit Approach

- Describe risk assessment, internal controls, grant accounting, restricted funds, historical records, opening balances, fraud risk, related-party transactions, payroll, procurement, cash, financial statement preparation, and management communications.

F. Technology

- Describe audit technology, secure document-transfer procedures, and systems used to conduct the engagement.

20. Audit Approach to Historical Records

Because TFSC has experienced organizational growth and is strengthening its financial recordkeeping systems, proposers should specifically describe their approach to missing supporting documentation; incomplete historical files; prior-period accounting classifications; unsupported transactions; grant expenditure documentation; opening balances; restricted fund tracking; prior-year financial statements that may not have been audited; and differences between historical and current internal-control procedures.

Proposers should explain how they distinguish between (1) documentation deficiencies, (2) control deficiencies, and (3) financial statement misstatements.

21. Fees and Billing

Service	Fee
Financial Statement Audit	$________
Federal Single Audit, if applicable	NA
Management Letter	Included / $________
Board Presentation	Included / $________
Additional Services	$________/hour

Other	$________

The proposer shall identify all anticipated out-of-pocket expenses. TFSC strongly prefers a not-to-exceed fee for the base engagement. Any additional work expected to increase the fee must be authorized by TFSC in writing before the additional work is performed.

22. Fee Assumptions

- Number of bank accounts.
- Number of grant programs.
- Number of transactions.
- Accounting software.
- Availability of supporting records.
- Personnel availability.
- Expected audit assistance from management.
- Whether financial statements will be prepared by the auditor.
- Whether a Single Audit is included.
- Any other material assumption.

23. Optional Services

- Internal-control assessment.
- Accounting policy review.
- Grant compliance review.
- Financial-management training.
- Board financial training.
- Fraud-risk assessment.
- Accounting-system recommendations.
- Financial statement preparation.
- Form 990 preparation.
- Grant closeout assistance.
- Single Audit preparation/testing.

24. Evaluation Criteria

Criterion	Points	Score
Relevant nonprofit audit experience	20	___
Government/grant audit experience	15	___
Qualifications of proposed audit team	15	___
Audit approach and methodology	15	___
Understanding of TFSC's circumstances	10	___
Peer review/quality-control history	10	___
Cost and value	10	___

References	5	___
TOTAL	100	___

Lowest price will not necessarily determine the award.

25. Interviews

TFSC may invite one or more firms to participate in an interview. Interviews may address audit approach, grant compliance, historical records, internal controls, audit timing, fees, Board communications, and engagement-team availability. TFSC may request clarification or additional information from any proposer.

26. Selection Process

10. Receipt of proposals.
11. Administrative review.
12. Evaluation by designated TFSC representatives.
13. Reference checks.
14. Interviews, if necessary.
15. Recommendation for award.
16. Board consideration and approval.
17. Negotiation of engagement letter.
18. Execution of agreement.
19. Commencement of audit.

The TFSC Board of Directors retains final authority to approve the engagement unless otherwise delegated.

27. Right to Reject Proposals

TFSC reserves the right to reject any proposal; reject all proposals; cancel the RFP; request additional information; request clarification; negotiate with proposers; waive minor proposal irregularities; modify the scope; reissue the RFP; or award no contract. TFSC shall not be responsible for costs incurred by proposers.

28. Non-Collusion

By submitting a proposal, the proposer certifies that the proposal was prepared independently; no agreement was made with another proposer regarding pricing or scope; no attempt has been made to restrict competition; and the proposer has not provided improper compensation or consideration to any TFSC representative.

29. Confidentiality

The selected auditor may receive confidential financial, personnel, grant, contractual, or organizational information. The auditor shall maintain confidentiality and use such information solely for purposes of performing the engagement.

30. Record Retention

The selected auditor shall maintain audit documentation in accordance with applicable professional standards and legal requirements. TFSC shall retain ownership of its financial and organizational records. The auditor shall return or provide access to TFSC records upon completion of the engagement as reasonably requested.

31. Ownership of Work Product

Final audit reports, financial statements, management letters, schedules prepared specifically for TFSC, and other final deliverables shall be provided to TFSC. Working papers prepared by the auditor shall remain the property of the auditor, subject to applicable professional standards and TFSC's rights of access.

32. Insurance

Prior to execution of the engagement agreement, the selected firm shall provide evidence of insurance reasonably appropriate for the services, including professional liability/errors and omissions coverage. TFSC may establish minimum insurance requirements during contract negotiations.

33. Contract Term

The initial engagement shall cover the fiscal year ending June 30, 2026. TFSC may, at its discretion, negotiate annual renewal engagements for subsequent fiscal years. Any renewal shall be subject to satisfactory performance, Board approval, continued independence, and mutually agreed-upon fees. Nothing in this RFP guarantees future audit engagements.

34. Auditor Rotation / Continued Engagement

TFSC anticipates establishing an ongoing relationship with the selected audit firm but does not guarantee continuation beyond the initial engagement. The Board may periodically evaluate the auditor's performance and determine whether continuation remains in the best interests of TFSC.

35. Management Responsibilities

- Preparation and fair presentation of financial statements.
- Maintaining appropriate accounting records.
- Establishing and maintaining internal controls.
- Safeguarding organizational assets.
- Providing access to records.
- Providing requested information.
- Making appropriate accounting estimates.
- Identifying related-party transactions.
- Providing a management representation letter.
- Making management decisions regarding audit recommendations.

The auditor will not assume management responsibilities.

36. Board and Management Communication

The selected auditor shall communicate significant matters directly to the Board or its designated committee when appropriate. The auditor shall have unrestricted access to the Board President, Audit Committee, or other designated Board representatives regarding matters concerning auditor independence, financial reporting, internal controls, fraud, or other significant audit issues.

37. Fraud and Irregularities

The auditor shall communicate to appropriate TFSC representatives any suspected fraud, illegal acts, significant irregularities, or material control deficiencies identified during the engagement in accordance with applicable professional standards. The auditor shall explain the nature and significance of any such findings and provide recommendations for corrective action when appropriate.

38. Questions Regarding this RFP

All questions regarding this RFP shall be submitted in writing to:

Tuolumne Fire Safe Council, Inc.
Attn: Executive Director, Al Alt
Email: al.alt@tuolumnefiresafe.org
Telephone: 530-521-1955

Questions must be submitted no later than September 18, 2026 by 5pm. Responses may be distributed to all firms participating in the RFP process.

39. Proposal Submission

Proposals shall be submitted electronically in PDF format to al.alt@tuolumnefiresafe.org. Subject line: RFP TFSC-2026-AUD-01 – Independent Audit Services. Proposals must be received no later than September 25, 2026 at 5pm Pacific Time. Late proposals may be rejected.

40. Proposal Validity

Proposals shall remain valid for a minimum of 120 days following the proposal deadline.

41. Required Certification

I certify that the information contained in this proposal is true and accurate to the best of my knowledge; that the firm is qualified and authorized to provide the proposed services; that the firm will maintain professional independence throughout the engagement; and that the firm has disclosed all actual or potential conflicts of interest known at the time of proposal submission.

Firm Name: ____

Authorized Representative: ____

Title: ____

Signature: ____

Date: ____

42. Proposal Checklist

- Cover letter
- Firm qualifications
- California CPA licensing information
- Nonprofit audit experience
- Government/grant audit experience
- Proposed audit methodology
- Proposed engagement team
- Engagement partner qualifications
- Three or more references
- Most recent peer-review report
- Peer-review acceptance documentation
- Independence statement
- Conflict-of-interest disclosure
- Historical-records audit approach
- Grant-audit approach
- Internal-control approach
- Proposed timeline
- Base audit fee
- Single Audit fee, if applicable
- Additional hourly rates
- Insurance information
- Required certification
- Any exceptions to the RFP

43. Sample Evaluation Scorecard

Evaluation Category	Max Points	Score
Nonprofit audit experience	20	___
Government/grant audit experience	15	___
Audit team qualifications	15	___
Audit methodology	15	___
Understanding of TFSC	10	___
Peer review/quality control	10	___
Cost/value	10	___
References	5	___
TOTAL	100	___

Evaluator Comments:

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44. Sample Board Award Motion

The Board of Directors of the Tuolumne Fire Safe Council, Inc. hereby approves the selection of [CPA FIRM NAME] to provide independent audit services for the fiscal year ending June 30, 2026, in an amount not to exceed $________, subject to execution of a mutually acceptable engagement letter and confirmation that all applicable independence, licensing, insurance, and professional requirements have been satisfied.

The Board authorizes the Executive Director to execute the engagement letter and take all reasonable administrative actions necessary to implement the Board's decision.

45. Recommended Engagement-Letter Requirements

- Scope of audit.
- Applicable professional standards.
- Auditor independence.
- Management responsibilities.
- Auditor responsibilities.
- Fees.
- Additional-service authorization.
- Audit schedule.
- Board communications.
- Management letter.
- Internal-control communications.
- Grant compliance.
- Federal Single Audit requirements, if applicable.
- Confidentiality.
- Records.
- Termination provisions.
- Dispute resolution.
- Insurance.
- Limitation of services that could impair independence.
- Renewal provisions.