



**Request for Proposals  
For Auditing Services**

**December 19, 2022**

## REQUEST FOR PROPOSAL

Public Trust Advisors, LLC (“Public Trust”) is inviting public accounting firms to submit formal proposals to provide annual independent financial audit services for up to seven (7) local government investment pool (“LGIP”) program relationships nationwide, for which Public Trust is the Fund Administrator and Investment Advisor.

The LGIP programs considering an auditing service provider are:

- **California Cooperative Liquid Assets Securities System (“California CLASS”)**  
**californiaclass.com**
- **Colorado Local Government Liquid Asset Trust (“COLOTRUST”)**  
**colotruster.com**
- **Florida Cooperative Liquid Assets Securities System (“FLCLASS”)** **flclass.com**
- **Michigan Cooperative Liquid Assets Securities System (“Michigan CLASS”)**  
**michiganclass.org**
- **North Carolina Cooperative Liquid Assets Securities System (“North Carolina CLASS”)** **ncclass.com**
- **Texas Cooperative Liquid Assets Securities System (“Texas CLASS”)**  
**texasclass.com**
- **Wyoming Cooperative Liquid Assets Securities System (“Wyoming CLASS”)**  
**wyomingclass.com**

*\*See appendix A for information specific to each program. Additionally, Information Statements and previous Annual Reports are available in the Document Center on each program’s website.*

### Fund Administrator and Investment Advisor

Public Trust is a registered investment advisor with the U.S. Securities and Exchange Commission in accordance with the Investment Advisers Act of 1940. Public Trust provides Fund Administration and/or Investment Advisory Services to LGIP programs in nine (9) states. Public Trust has firmwide assets under management of nearly \$60 billion (as of September 30, 2022).

### Board of Trustees

Each respective LGIP program is subject to the oversight of a Board of Trustees (“Board”). The Boards are comprised of public finance professionals who are eligible stakeholders in each LGIP program. Each Board oversees, reviews, administers and supervises the activities of all consultants and professional service providers of each respective LGIP. Each Board will make the final selection of the audit firm for their respective LGIP program.

### Auditor Services Overview

The selected auditor will, for each respective LGIP program’s fiscal year-end, perform an independent annual audit and issue an independent auditors’ report in accordance with

generally accepted auditing standards (“GAAS”) and Public Company Accounting Oversight Board (“PCAOB”) auditing standards. Public Trust staff prepares the Annual Report in coordination with the auditing firm. The Annual Report includes the Independent Auditors’ Report and a Chairperson’s Letter and is made publicly available after approval from the respective Board and the audit firm.

Public Trust seeks to retain the highest quality auditing firm. Considerations will include but may not be limited to the firm’s capabilities, professional experience, staffing and the cost of services. Proposals should indicate the audit fees for each LGIP program. Audit fees should include preparation and distribution of materials for, and attendance at, at least one meeting of the Board of Trustees for each LGIP program to discuss the results of the audit. Public Trust is seeking annual audit quotes for each LGIP program for the fiscal years ending in 2023, 2024 and 2025.

During the selection process Public Trust reserves the right, where it may serve their best interest, to request additional information or clarification from proposers, or to allow corrections of errors or omissions. At the discretion of Public Trust, firms submitting proposals may be requested to make oral presentations as part of the evaluation process. Public Trust reserves the right to reject any and all proposals if, in its judgment, the best interests of the LGIP programs will not be served accordingly.

The selected auditor will be registered with, and subject to regular inspection by the PCAOB, as of the commencement of each professional engagement period, and through the completion of each audit. All Annual Reports must be completed within ninety (90) days of each LGIP program’s fiscal year end.

All working papers associated with the engagements shall be retained for a minimum of seven years from the date of each Annual Report and shall be available for examination by authorized representatives of cognizant agencies, Public Trust, the Board of Trustees and subsequent independent auditors.

## Procedural Information

### I. Timeline

Release of RFP	December 19, 2022	
Intent to Respond	January 6, 2023	christa.kronquist@publictrustadvisors.com
Submission of Questions	January 6, 2023	christa.kronquist@publictrustadvisors.com
Responses to Questions	January 13, 2023	
Proposals Due (electronically)	January 24, 2023	christa.kronquist@publictrustadvisors.com
Interviews (if necessary)	First week of February 2023	
Notice of Award	March 2023	

### II. Responding to this Request for Proposal

Proposals should be submitted electronically and must be received no later than 2:00 P.M. MT on January 24, 2023. Faxed responses will not be considered. Responses should be directed to:

Ms. Christa Kronquist  
Director of Operations, Public Trust Advisors, LLC  
[christa.kronquist@publictrustadvisors.com](mailto:christa.kronquist@publictrustadvisors.com)

### III. Please provide information on the following criteria:

#### A. The Audit Firm

1. Provide proof that the firm is licensed to practice in each respective state where each LGIP program is located.
2. Provide a description of the firm, including qualifications and experience.
3. Provide names and resumes of key personnel to be assigned to the engagement(s), including the partners in charge.
4. Provide an affirmative statement that those assigned have met all the continuing professional education (CPE) requirements necessary to satisfy the United States General Accounting Office standards.
5. Describe the scope of the firm's professional education program with particular emphasis on training in matters important to our industry.
6. Provide engagements with other investment programs similar in nature to

Public Trust's LGIP programs which demonstrate the firm's expertise and ability to translate its industry leadership position in creative initiatives and benefits for the client.

7. Describe the firm's initiatives to serve the client (seamlessly, efficiently and thoroughly) as an integrated entity.
8. Specify whether correspondents, affiliates or others that are not integral parts of your organization will be involved with the engagement(s).

**B. Quality Assurance and Independence**

1. Description of the firm's independence policies, monitoring programs and plans to assure each LGIP of its independence and freedom from conflict of interests.
2. Description of any violations of the independence requirements of the SEC that have led to your resignation from an audit engagement.
3. Disclosure of any potential conflicts of interest or relationships that could be a potential concern for any of these engagements.
4. Description of internal practices for ensuring compliance with the independence requirements of the SEC, AICPA, etc.
5. Positive confirmation that, if selected, the firm will take all and any steps necessary to ensure independence for reporting purposes.
6. Provide the firm's most recent inspection report by the PCAOB.
7. A copy of the report on the firm's most recent external quality control review.
8. The firm's decision-making process on key accounting issues with particular focus on the role of the engagement team in the process.
9. Any other information the firm considers relevant.

**C. The Engagement Team**

1. A description of the functional structure of the audit team.
2. The relevant responsibilities, experience and expertise of each key team member.

3. Policy on succession planning and continuity.
4. Discuss philosophy regarding rotation of engagement personnel and provide written commitment to maintain maximum continuity of key engagement personnel.

#### **IV. References**

Please provide five references of local government entities and pooled investment vehicles or investment companies that the firm audits on a regular basis. At least one reference for each of these entity types should be provided. Include entity, address, contact name, email address and phone number. Please also include how long you have been engaged with each entity.

#### **V. Audit Fee**

Provide your audit fee for each LGIP program for each of the three years (2023, 2024 and 2025), including pricing assuming the report is prepared by Public Trust for auditor review and pricing assuming the report is prepared by the audit firm for Public Trust and Board review. Detail the scope of the services to be provided under each proposal. Describe the type of services for which the LGIP program would be invoiced. In addition, please provide names, responsibilities and fee schedule for persons who would be assigned to special engagements as may be required by an LGIP. Include a statement of your firm's understanding of the terms and conditions of the engagement.

#### **VI. Other**

The detailed proposal should demonstrate the qualifications, competence and capacity of the firm seeking to undertake an independent audit of each LGIP in conformity with the requirements of this request for proposals. The proposals should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirement of the request for proposals.

## **Appendix A – LGIP Program Information (data as of October 31, 2022)**

**California CLASS** is a California joint powers authority created pursuant to Title 1, Division 7, Chapter 5 of the California Government Code (commencing with Section 6500), known as the Joint Exercise of Powers Act. Under this authority, California CLASS was created pursuant to a Joint Exercise of Powers Agreement (JPA Agreement) dated as of June 6, 2022, between the Founding Participants (as defined in the JPA Agreement). The custodian and treasury bank for California CLASS is U.S. Bank, N.A.

California CLASS offers Participants two portfolio options: California CLASS Prime (Prime-style portfolio) and California CLASS Enhanced Cash (Enhanced Cash portfolio). California CLASS Prime launched on July 1, 2022, and California CLASS Enhanced Cash is projected to launch in early 2023. California CLASS Prime operates as a stable value net asset value (NAV) portfolio, while California CLASS Enhanced Cash will have a floating NAV.

- California CLASS fiscal year-end is March 31<sup>st</sup>
- 21 Participants
- Combined assets of approximately \$165 million (as of October 31, 2022)
- Governed by a four-member Board of Trustees

**COLOTRUST** is a statutory trust organized and existing under the laws of the state of Colorado and is intended solely for the use of Colorado local governments; the Trust was created on January 1, 1985, by an Indenture of Trust in accordance with the Pooling Act. COLOTRUST is designed to provide local governments with a convenient method for investing in high-quality, short- to medium-term securities carefully chosen to provide for safety and liquidity while still maximizing interest earnings. The custodian and treasury bank for COLOTRUST is UMB Bank, N.A.

COLOTRUST offers Participants three portfolio options: COLOTRUST PRIME (Government portfolio), COLOTRUST PLUS+ (Prime-style portfolio) and COLOTRUST EDGE (Enhanced Cash portfolio). The COLOTRUST PRIME and COLOTRUST PLUS+ portfolios operate as stable NAV pools while the COLOTRUST EDGE portfolio has a floating NAV.

- COLOTRUST fiscal year-end is December 31<sup>st</sup>
- 1,745 Participants
- Combined assets of approximately \$13.75 billion (as of October 31, 2022)
- Governed by a twelve-member Board of Trustees

**FLCLASS** is an intergovernmental investment pool authorized under Section 218.415, Florida Statutes and was created in 2015 via an interlocal agreement by and among state public agencies as described in Section 163.01, Florida Statutes. FLCLASS provides Florida governmental entities with a convenient method for investing in high-quality, short- to

medium-term securities carefully selected to optimize interest earnings while maximizing safety and liquidity.

FLCLASS strives to minimize risk by managing our portfolios in a manner that emphasizes the preservation of principal and only invests in securities that are permitted pursuant to the laws of the state of Florida, Florida's Investment of Local Government Surplus Funds Act, Florida Statutes, Chapter 218.415 and the FLCLASS Investment Policies. Fifth Third Bank serves as the custodian and treasury bank for FLCLASS.

FLCLASS offers Participants two portfolio options: FLCLASS (Prime-style portfolio) and FLCLASS Enhanced Cash (Enhanced Cash portfolio). FLCLASS operates as a stable NAV portfolio, while FLCLASS Enhanced Cash has a floating NAV.

- FLCLASS fiscal year-end is December 31<sup>st</sup>
- 140 Participants
- Combined assets of \$3.5 billion (as of October 31, 2022)
- Governed by a six-member Board of Trustees

[Michigan CLASS](#) is a local government investment pool that emphasizes safety, liquidity, convenience and competitive yield. Since 1991, Michigan CLASS has provided Michigan public agencies a safe and competitive investment alternative. Michigan CLASS invests only in instruments applicable to Michigan state laws governing investment options for local agencies. Michigan CLASS is established pursuant to a Participation Agreement. Fifth Third Bank serves as the custodian and treasury bank for Michigan CLASS.

Michigan CLASS offers Participants two portfolio options: Michigan CLASS (Prime-style portfolio) and Michigan CLASS EDGE (Enhanced Cash portfolio). Michigan CLASS is a stable NAV portfolio and Michigan CLASS EDGE is a floating NAV portfolio.

- Michigan CLASS fiscal year-end is June 30<sup>th</sup>
- 625 Participants
- Combined assets of \$3.5 billion (as of October 31, 2022)
- Governed by a thirteen-member Board of Trustees

[North Carolina CLASS](#) will launch in early 2023 and is an investment pool created by interlocal agreement and the Indenture of Trust. The purpose of North Carolina CLASS is to provide a commingled investment pool established by interlocal agreement in accordance with North Carolina law permitting Local Government Units to pool idle funds in order to invest such funds and earn interest in accordance with, and as permitted by, the provisions of the N.C.G.S. Section 159-30 or other laws of the State of North Carolina governing the investment of monies of a Local Government Unit. Fifth Third Bank will serve as the custodian and treasury bank for North Carolina CLASS.

- North Carolina CLASS fiscal year-end will be December 31<sup>st</sup>



- Pool is expected to launch in early 2023 and will open to participants at that time

[Texas CLASS](#) was created in 1996 as a local government investment pool (LGIP) pursuant to Section 2256.016 of the Public Funds Investment Act, Texas Government Code (PFIA). Per state code, entities may pool any of their funds, or funds under their control, to preserve principal, maintain the liquidity of the funds and maximize yield. The Texas CLASS Trust Agreement is an agreement of indefinite term regarding the investment, reinvestment and withdrawal of local government funds. The parties to the Trust Agreement are Texas local government entities that choose to participate in the Trust. The custodian and treasury bank for the Texas CLASS pools is UMB Bank, N.A.

Texas CLASS offers Participants two portfolio options: Texas CLASS Government (Government portfolio) and Texas CLASS (Prime-style portfolio). Each of the pools operates as stable NAV pools.

- Texas CLASS fiscal year-end is June 30<sup>th</sup>
- 924 Participants
- Combined assets of approximately \$17.3 billion (as of October 31, 2022)
- Governed by a seven-member Board of Trustees and a five-member Advisory Board

[Wyoming CLASS](#) was created in 2020 as a service for Wyoming political subdivisions. The purpose of the program is to provide a convenient method for political subdivisions to pool their liquid assets collectively. The general objective of the Trust is to generate a high level of current income for the Participants while maintaining liquidity and preserving capital by investing only in instruments authorized by Wyoming State Statutes and the Wyoming CLASS Investment Policy. The Wyoming CLASS Indenture of Trust was adopted pursuant to the provisions of W.S. 17-23-101 *et seq.*, the Wyoming Statutory Trust Act. Wyoming CLASS Participants are authorized to invest in a commingled fund of legal investments as described under W.S. 9-4-831 Legal Investments. U.S. Bank, N.A. serves as the custodian and treasury bank for Wyoming CLASS.

Wyoming CLASS offers a single prime style portfolio, which has a stable NAV.

- Wyoming CLASS fiscal year-end is June 30<sup>th</sup>
- 52 Participants
- Assets of \$318 million (as of October 31, 2022)
- Governed by a five-member Board of Trustees