



Idyllwild Water District

REQUEST FOR PROPOSALS FOR PROFESSIONAL AUDITING SERVICES

1. INTRODUCTION

The district operates under the authority of Section 30000, Division 12 of the California Water Code and engages in water and wastewater activities classified as "proprietary". These activities are accounted for much like those of a private business, and the full accrual method of accounting for financial transactions is used. The major activities include the production and treatment of groundwater; the sale and delivery of water to domestic and commercial accounts; and the collection, treatment, and disposal of wastewater.

Idyllwild Water District (IWD) provides water services to around 1700 customers and sewer services to 600 customers within a population of 3,300 for Idyllwild in the County of Riverside. In performing these services IWD operates and maintains a complex system of water distribution with seven water pressure zones. This includes five water treatment systems and eleven water storage tanks. We have a wastewater treatment facility that is permitted to handle 250,000 gallons a day for our sewer customers. IWD employs 12 people to operate both our water and sewer operations.

The Idyllwild County Water District was approved by the voters in 1956 as a legal entity to provide water services. The 130,000 feet of water lines and 63,000 feet of sewer lines are located within 9 square miles.

2. SCOPE OF SERVICES: ANNUAL AUDIT

1) Perform Audit of financial statements and prepare audit report :

(a) Conduct an audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and the "Minimum Audit Requirements and Reporting Guidelines for California Special Districts", as required by the California State Controller's Office.

(b) Prepare an Auditor's Report that includes the following:

- Statement of Net Position
- Statement of Revenue, Expenses, and Changes in Position



- Statement of Cash Flows
- Required Footnotes to Financial Statements
- Required Supplementary Information
- Auditor's Opinion on the Financial Statements and Required Supplementary Information

2) State Controller's Report :

(a) Pursuant to Government Code 53891, prepare the Annual Audit Report of Financial Transactions of Special District and Compensation report and submit it to the California State Controller's Office by the State Deadline

3) Single Audit :

The district does not anticipate the need for a single audit on the expenditures of federal grants during the contract term. If a single audit becomes necessary, the District will amend the contract with the selected auditor for the additional work.

4) Staff Presentation:

Prior to the preparation of the final audit report, the Auditor will meet with District staff to discuss the results of the audit and to review significant findings, if any

5) Management Letter :

Prepare a Letter That includes recommendations for improvements in internal controls, accounting procedures, and other significant observations that are non-reportable conditions and also, define any deficiency in the design or operation of the internal control structure.

6) Board Presentation :

Attend publicly Noticed Board of Directors Meeting and present the report and results of the Audit.

7) The Audits performed under the RFP shall cover periods a through e:

- a. July 1, 2024 – June 30, 2025
- b. July 1, 2025- June 30, 2026
- c. July 1, 2026- June 30, 2027
- d. July 1, 2027- June 30, 2028
- e . July 1, 2027 -June 30, 2029



3. ORGANIZATION OF PROPOSALS:

District requests that the Proposing Firm's proposals be organized consisting of two sections:

1. Technical Proposal and 2) 2. Cost Proposal:

The purpose of the Technical Proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of Idyllwild Water District in conformity with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The Technical Proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposal requirements.

Specific Audit Approach:

The proposal should set forth a work plan, including an explanation of the audit methodology to perform the services required in this RFP. In developing the work plan, reference should be made to such sources of information as the District's budget and related materials, organization chart, prior financial statements, etc. The proposal should include the following information about the firm's audit approach • Proposed phases of the audit and staff hours assigned to each phase of the engagements • Description of analytical procedures to be used in the engagement, including sampling • Approach to be taken to understand, review, and make recommendations regarding the District's internal controls • Description of any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be required of the District • Additional work tasks and products the Auditor recommends in addition to those specified in this RFP's Scope of Work

Description of Firm's Experience:

The Auditor shall provide a description of the audit firm's experience, including a brief history, types of services provided, and experience in providing similar services as those requested in this RFP. The description of the experience shall include experience with local governments and special districts and shall highlight experience with agencies that are similar in size and structure to the district. Firm Qualifications and Experience: To qualify the firm must have extensive experience in audits of local governments as well as experience with reviews of Annual Comprehensive Financial Reports. The proposer shall state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed, and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis. If the proposer is a joint venture or consortium, the qualifications of each firm



comprising the joint venture or consortium shall be separately identified, and the firm that is to serve as the principal auditor shall be noted, if applicable.

Project Team:

Identify key personnel assigned to the project and describe their respective role(s) and responsibilities. Provide resumes for all key personnel assigned to the project.

License to Practice in California:

The proposal must include an affirmative statement verifying that the firm and all assigned key professional staff are properly licensed to practice in California.

Independence: The proposal must include an affirmative statement that the firm and all assigned key professional states are independent of the District as defined by auditing standards generally accepted in the United States and the General Accounting Office's Government Auditing Standards. The firm should also list and describe the firm's (or proposed subcontractors') professional relationships involving the Lathrop Manteca Fire District for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit

References:

Please provide a list of not less than (5) client references (3) of which are current special district clients for whom services similar to those outlined in the RFP are currently being provided. For each reference listed provide the name of the organization, dates for which the services are being provided, the type of services being provided, and the name, address, telephone number, and email address of the responsible person within the reference's organization. The district reserves the right to contact any or all of the listed references regarding the audit services performed by the Proposer.

Peer Review:

Proposing Firm to submit a copy of a report on its most recent external quality control review (peer review), including a statement as to whether the external quality control review included a review of specific government engagements (required by Government Audit Standards).

Cost Proposal:

The cost of the proposal should contain all detailed pricing information relative to performing the audit engagement as described in this RFP. For each year, and in total, the total all-inclusive maximum price is to contain all direct and indirect costs, including all out-of-pocket expenses.



Signature:

The consultant's RFP response shall provide the following information: name, title, address, and telephone number of individuals with authority to bind the service provider and who may be contacted during the period of proposal evaluation. The consultant's RFP response shall be signed by an official authorized to bind the consultant.

Selection Procedure:

The General Manager and Chief Financial Officer will evaluate each proposal and give their recommendation to The Board of Directors. The Board of Directors will in turn make the final decision on the selection of The Firm of Audit.

The Board will Award the Audit Firm at the regular Board Meeting on February 19, 2025

Proposal Submittal:

Email submission of proposals must be received by the district no later than 5:00 pm on Friday, February 7, 2025. Proposals and all inquiries relating to this RFP should be emailed to: Brojas@idyllwildwater.com