



San Miguel Community Services District

Request for Proposal for Audit Services

REQUEST FOR PROPOSAL

San Miguel Community Service District (hereinafter called "the District") is requesting audit service proposals from qualified certified public accounting firms to perform annual audits and issue opinions on the District's financial statements for a three-year period for years ending June 30, 2025, 2026, and 2027.

DESCRIPTION OF THE DISTRICT:

The District, founded in 2000, provides fire protection, lighting, solid waste collection, water and wastewater services to approximately 2,600 community residents. The District's Board of Directors consists of five members elected by the public served by the District. The District's structure consists of a General Manager and a support staff of approximately 8 employees and 20 paid-call firefighters.

The District accounts for its operations as an enterprise fund on the accrual basis. Additional funds with minimal activity account for capital replacement, expansion and debt service. The District has other governmental funds as well.

A customized computer system is used with subsidiary programs in billing, payroll, accounts payable, accounts receivable, permitting, inventory, cash receipts, fixed assets, investments, and capital projects.

Other than the usual payments for wholesale water, sewer processing, and debt service, few disbursements exceed the normal scope of review.

Information regarding the District and a copy of the District's most recent financial statement is located on the District's website, www.sanmiguelcsd.org. The District does not prepare a CAFR and there is no desire to do so in the near future. It is the proposing firm's responsibility to obtain an understanding of the District's accounting system, the scope of the audit, and the work to be performed in order to successfully complete the audit, prior to submitting their proposal and bid.



San Miguel Community Services District

Request for Proposal for Audit Services

SCOPE OF THE AUDIT:

The audits are to be performed in accordance with generally accepted auditing standards. The auditors will evaluate the adequacy of the internal control system and, where weaknesses are noted, make appropriate recommendations for improvements. A management letter will be submitted by the auditing firm if material weaknesses are noted or if otherwise deemed appropriate.

The auditor will be required to make an immediate written report of all irregularities, fraud and illegal acts, of which they become aware, to the Board President and General Manager.

The audit will cover the general-purpose financial statements and supporting documentation and schedules. The auditor will assist the District in providing more meaningful and concise financial statements by seeking improved methods of reporting.

The auditing firm shall provide ten copies of the auditor's report, financial statements, supporting schedules, and management letters. The partner in charge of the audit shall be available to attend at least one Board Meeting at which the audit report will be discussed.

The auditing firm shall submit a draft of the financial statements no later than Friday, November 14th 2025 by 12:00 p.m. for the fiscal year 2024-25 audit and October 1st for subsequent years. In this regard, the District shall provide a year-end adjusted trial balance with support schedules not later than September 1st of each year. Records for appropriate testing will be made available immediately after June 30 of each year.

The firm shall make available its working papers and respond to all reasonable inquiries of successor auditors and others to review working papers of the District, upon the District's written consent. The auditing firm will retain all working papers, at the firm's expense, for a minimum of five years, or longer, if required by generally accepted auditing standards.



San Miguel Community Services District
Request for Proposal for Audit Services

PROPOSAL REQUIREMENTS:

Three (3) copies of a proposal must be received
no later than 12:00 p.m. Friday, December 6th 2024
Proposals must be in a sealed envelope addressed to:

Kelly Dodds, General Manager
San Miguel Community Services District
Po Box 180/ 1765 Bonita Place
San Miguel, California 93451
DO NOT OPEN SEALED BID ENCLOSED

The following information is required by the deadline for the firm to be considered:

A COPY OF THE PROPOSAL TO INCLUDE:

1. Transmittal letter

A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the required time period, a statement of why the firm believes itself to be the best qualified to perform the engagement, and a statement that the proposal is a firm and irrevocable offer until January 31st 2025

2. Detailed proposal

3. Bidding proposal

GENERAL REQUIREMENTS OF THE PROPOSAL:

The purpose of the proposal is to demonstrate the qualifications, competence, and capacity of the firms seeking to undertake an independent audit of the District, in conformity with



San Miguel Community Services District

Request for Proposal for Audit Services

the requirements of this Request for Proposal. The proposal shall demonstrate the qualifications of the firm and of the staff to be assigned to this engagement. It should also specify an audit approach that will meet the Request for Proposal requirements.

INDEPENDENCE:

The firm should provide an affirmation statement that it is independent of the District as defined by generally accepted auditing standards. The firm should also list and describe its professional relationships involving the District for the past five years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

LICENSE TO PRACTICE:

An affirmation statement should be included indicating that the firm and all assigned key professional staff are properly licensed to practice in California.

FIRM QUALIFICATIONS AND EXPERIENCE:

The proposal should 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 professional staff to be employed in this engagement.

The firm is also required to submit information on the report of its most recent peer review, with a statement of whether the peer review included a review of specific government engagements. In addition, the firm will submit a statement whether they have been the object of any disciplinary action in the past three years.

In order to be considered, firms must be within one-hundred-fifty miles of the San Miguel Community Services District. 1765 Bonita Pl, San Miguel CA. 93451

PARTNER/SUPERVISORY/STAFF QUALIFICATIONS AND EXPERIENCE:



San Miguel Community Services District

Request for Proposal for Audit Services

The firm should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists who would be assigned to the engagement, and indicate whether each person is licensed to practice as a Certified Public Accountant in California. The firm should also supply information on the government auditing experience of each person, including information on relevant continued education and professional organizations relevant to the performance of this audit.

SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES:

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum of five) performed in the last five years that are similar to the engagement described in this Request for Proposal.

Indicate:

The firm's scope of work, date,
engagement partner(s), total hours,
and name and telephone number of the principal client contact.

SPECIFIC AUDIT APPROACH:

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, type and extent of statistical sampling, compliance tests, substantive tests, and analytical tests to be performed, as well as a schedule (by date and hours) of the work to be performed to meet the requirements of this Request for Proposal.

IDENTIFICATION OF ANTICIPATED POTENTIAL AUDIT PROBLEMS:

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems, and specific assistance that will be requested from the District.



San Miguel Community Services District

Request for Proposal for Audit Services

BIDDING PROPOSAL:

The bidding proposal should contain all pricing information relative to performing the audit engagement as described in this Request for Proposal. A schedule of rates for partners, specialists, supervisors, and staff, multiplied by the number of hours anticipated by each, should be included. The bidding proposal shall contain all direct and indirect costs including out-of-pocket expenses to arrive at an all-inclusive maximum price.

DISTRICT OBLIGATION:

If it should become necessary for the District to request the auditor to render additional services to either supplement the services requested in this Request for Proposal or to perform additional work as a result of the specific recommendations included in any report issued with this engagement, such additional work shall be performed only if set forth in an addendum to the contract between the District and the firm. Any such additional work agreed to between the District and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the formal bidding proposal.

Progress payments will be made on the basis of hours of work performed during the course of the engagement in accordance with the firm's formal bidding proposal. Interim billings shall cover a period of not less than one calendar month.

Proposals submitted will be evaluated by the District General Manager.

The District reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected.

During the evaluation process, the Board of Directors may, at its discretion, request any one or all firms to make oral presentations and personal introduction of the proposed managing accountant and/or senior partner of the audit. Such presentations will provide firms with an



San Miguel Community Services District

Request for Proposal for Audit Services

opportunity to answer any questions the Board of Directors may have on a firm's proposal. Not all firms may be selected to make such oral presentations. Routine clarification may be obtained by telephone, fax, or e-mail.

Final selection will be made by the Board of Directors based on the firm's qualifications, experience, audit approach, and bid. Proposing firms should note that the lowest bid will not be the sole deciding factor in the final selection.

It is anticipated that a firm will be selected by Thursday, December 19th 2024. Following notification of the firm selected, it is expected that a contract will be executed immediately upon receipt of all required contractual documents and other requested information.

Submission of a proposal constitutes acceptance by the firm of the conditions contained in this Request for Proposal unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the District and the firm selected.

The District reserves the right to reject any and all proposals. The District also reserves the right to cancel the contract, due to unsatisfactory performance of audit services, between audit years with a 30-day written notice. The District may extend the contract an additional two years, at any time, upon agreeable terms with the successful bidder.

For additional information and inquiries, contact:

Kelly Dodds, General Manager
San Miguel Community Services District
Po Box 180/ 1765 Bonita Pl
San Miguel, California 93451
805.467.3388

(continued on next page)



San Miguel Community Services District
Request for Proposal for Audit Services

The proposing firm warrants the following:

1. The firm is willing and able to obtain an Errors and Omissions Insurance Policy providing a prudent amount of coverage for the willful or negligent acts or omissions of any officers, employees, or agents thereof.
2. The firm will not delegate or subcontract its responsibilities under an agreement without the express prior written permission of the San Miguel Community Services District.
3. All information provided by the firm in connection with this proposal is true and correct.
4. The firm will acknowledge and agree with all terms and conditions stated in this Request for Proposal.

On Behalf of Firm:

Authorized Representative

Date