

December 20, 2022

REQUEST FOR PROPOSALS FOR AUDITING SERVICES

The Soledad-Mission Recreation District (District) is requesting proposals from qualified firms of certified public accountants to provide independent auditing services for the District. The term of the agreement to provide auditing services will be for six fiscal years, beginning with the fiscal year ending June 30, 2021. These annual audits are to be performed on a Biennial Audit Schedule as approved by our County Board of Supervisors. These audits are to be performed in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States.

Enclosed for your consideration is a Request for Proposals (RFP). Any inquiries about the RFP should be addressed to Frances Bengtson, Executive Director (frances@soledadrec.org) or (831)678-3745. Enclosed is a copy of the District's most recent audited financial statements.

Six (6) copies of your firm's formal proposal conforming to the District's requirements should be submitted to Frances Bengtson, Executive Director, and must be received at the District's Office located at 570 Walker Dr. Soledad, CA 93960, (P.O. Box 1650, Soledad, CA 93960) by Friday January 20, 2023 at 5:00 p.m. Proposals received after this date and time will not be considered.

Sincerely,

Frances Bengtson
Executive Director

**SOLEDAD-MISSION RECREATION DISTRICT
REQUEST FOR PROPOSALS FOR AUDITING SERVICES**

I. INTRODUCTION

A. General Information

The Soledad-Mission Recreation District is requesting proposals from qualified firms of certified public accountants to audit its financial statements in accordance with generally accepted auditing standards.

There is no expressed or implied obligation for the Soledad-Mission Recreation District to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

Any inquiries about the RFP should be addressed to Frances Bengtson, Executive Director (frances@soledadrec.org or buildingcommunity@soledadrec.org) or (831)678-3745. Enclosed is a copy of the District's most recent audited financial statements, and County Approval to move to a Biennial Audit Schedule.

To be considered, six (6) copies of a proposal must be received at the District's Office located at 570 Walker Dr. Soledad, CA 93960, (P.O. Box 1650, Soledad, CA 93960) by Friday, January 20, 2023 at 5:00 p.m. The District reserves the right to reject any and all proposals submitted.

During the evaluation process, the District reserves the right, where it may serve the District's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions.

The District reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the District and the firm selected.

It is anticipated the selection process of a firm will be completed by February 28, 2023 and staff's recommendation will be presented to the Board of Directors at its regular meeting on January 24, 2023. Following the notification of the selected firm, it is expected a contract will be executed between both parties in February/March 2023.

B. Terms of Engagement

The initial contract will be for six years, beginning with the fiscal year ending June 30, 2021. The contract may be canceled if the District determines the audit services

to be unsatisfactory. This timeline includes 6 annual audits on a biennial schedule of three engagements.

II. NATURE OF SERVICES REQUIRED

A. Scope of Work to be Performed

The Soledad-Mission Recreation District desires the auditor to express an opinion on the fair presentation of its financial statements in conformity with generally accepted accounting principles meeting all reporting and accounting requirements of a California Special District.

The District also requires an annual Management Letter that will include findings, statements, detailed observations, and recommendations with regard to the systems and functioning of internal controls and accounting systems.

B. Auditing Standards to be Followed

To meet the requirements of this request for proposals, the audit shall be performed in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Controller General of the United States.

C. Special Consideration

1. The Soledad-Mission Recreation District has been approved for a biennial audit schedule by the Monterey County Board of Supervisors. Due to the nature of the District's business, efforts for future opportunities, and lease requirements the District has been completing annual audits on a biennial schedule. The District has found this to be most cost effective and effective for our limited District Administrative staff.

D. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years. The firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

III. DESCRIPTION OF THE GOVERNMENT

A. Background Information

The Soledad-Mission Recreation District is a public agency formed by voters in 1962 to provide recreation for the residents in and around the Soledad area. The District's boundaries include the 93960 zip code. The District has not expanded since its formation in 1962.

The District built an indoor swimming pool in 1974 the only indoor pool in South Monterey County. Pool operations have been the District’s primary service since 1974, although a number of non-aquatic programs have been offered in the past and today.

The District includes the City of Soledad and the surrounding rural areas. The five person board, is appointed by the County Board of Supervisors, and three of the positions have been nominated for appointment by the Mayor of Soledad. The Board holds public meetings on the fourth Tuesday of each month at 6:00 p.m.

The staff currently consists of two full-time employees, and 30 seasonal part time employees. The District does not have formalized departments and almost all District employees perform in a variety of job titles and across the general designated categories of aquatic staff, program staff, maintenance staff, or office/administrative

The primary revenue source is a share of the annual total property tax collected within the District. This revenue amounts to .17¢ per \$100 of assessed property value, which provided \$420,000 in fiscal year 2021-2022. There are no other tax revenues or sources of funding aside from District programs and activities, very limited grant or relief funding, making this small special District financial accounting fairly straight forward.

B. Accounting Staff

The District’s accounting staff consists of a contract bookkeeper, Dana Guidotti. Mrs. Guidotti has been with the District since 2004. Select District staff work with day to day income and financial reporting.

C. Prior Auditors

RT Dennis Accounting served as District auditor for the last six years.

IV. TIME REQUIREMENTS

A. Proposed Calendar

The following is a list of key dates up to and including the award of contract by the District’s Board of Directors:

| | |
|------------------------------|-------------------|
| Request for proposals issued | December 21, 2022 |
| Due date for proposals | January 20, 2023 |
| Expected award of contract | February 2023 |

B. Schedule for the 2020-2021, 2021-2022 Fiscal Years Audit (Fiscal Year ending June 30)

1. Detailed Audit Plan

The auditor shall provide the District with an audit plan, including a list of schedules requested and other work, by early March 2023.

2. Draft Reports

The auditor shall complete as much of field work as possible by April 10, 2023, due to Executive Director scheduled leave, in time to allow preparation of the draft financial statements and discussion of the draft statements with District staff. Bookkeeper Dana Guidotti will be available to answer questions after these date and through the completion of the audit. A draft of the management letter shall be provided by May 20, 2023. District staff shall have the opportunity to discuss and comment upon any findings and recommendations prior to issuance.

3. Final Reports

Final copies of the audited financial statements shall be issued no later than June 15, 2023. The final version of the management letter shall be issued by June 15, 2023.

For subsequent fiscal years, the District requests the Audit to be completed by December 31, 2024, 2026.

V. DUTIES OF THE AUDITOR

The auditor shall perform the following tasks within the timeframe established as part of its audit each fiscal year.

- A. Examination of all funds and account groups under the jurisdiction and control of the District, for the purpose of issuing the following reports:
 - Opinion on the financial statements of the District.
- B. Preparation of a Management Letter which will include findings, statements, observations, opinions, comments, or recommendations with regard to the systems and functioning of internal control, accounting systems and procedures, and compliance with laws, rules, and regulations.
- C. Consultation regarding accounting and compliance issues as may be required throughout the contract period.
- D. The auditor shall provide the following:

- Auditor's Report on the District financial statements (10 copies) and an electronic copy;
- Management Letter (6 copies) and an electronic copy.

VI. DUTIES OF THE DISTRICT

- A. The District bookkeeper and Executive Director will be available during the audit to assist the firm by providing information, documentation, and explanations. The accounting staff will provide clerical assistance for the preparation of confirmations and other routine correspondence.
- B. The accounting staff will close the books and provide individual fund balance sheets, statements of revenues and expenditures, detailed general ledgers for each fund, and other audit schedules as required.
- C. District Controller will provide the draft Management's Discussion and Analysis.

VII. PROPOSAL EVALUATION CRITERIA

The following criteria will be used to qualify and evaluate all proposals.

A. Firm Qualifications and Experience

The proposal should state the size of the firm, the size of the firm's governmental audit staff, and the location of the office from which this engagement is to be performed. The proposal should also include the auditor's recent experience, within the last five years, in auditing of local government entities in the State of California.

B. Competence/Education

The qualifications of the personnel who will be working on and coordinating the audit, including a firm's ongoing efforts to keep its staff current and knowledgeable in accounting procedures, auditing, and financial reporting for governmental agencies.

C. Reputation/References

The firm's general experience and reputation in the field of governmental auditing and accounting is important. District staff will check references of the firm's other audit clients.

D. Personnel Charges

The proposal shall include a statement by the firm as to its plans and commitments relative to providing continuity of personnel with a governmental accounting background. The District reserves the right to request replacement of any member of the firm's auditing team prior to, and during the course of the audit if circumstances

warrant it and, similarly, the District requests that it be notified and consulted in advance of any changes made by the auditing firm concerning the make-up of the auditing team. The on-site supervisor of the audit should have a minimum of one-year experience in the governmental accounting and auditing field.

E. Extraordinary Services

All proposals shall contain provisions to the effect that in the event that extraordinary circumstances warrant more intensive and detailed services beyond those in the contractual agreement, the firm shall provide in writing and in advance, the reasons for the additional services together with the firm's estimate of costs, and a statement that no work will be performed without advance approval by the District. Any and all additional work as agreed in advance by the District shall be compensated for at the same rate quoted in the schedule submitted in the proposal.

F. Cost/Compensation

All proposals shall set forth the hourly rates of those persons conducting and supervising the audit, and the maximum total hours and compensation for performing the scope of work outlined in this request for proposal. Fees shall be estimated for a six-year engagement. A cost breakdown by year and biennial audit is requested for six years. Firms are free to propose whatever methods of the compensation would be to the best material advantage of both the District and the firm.

VIII. PROPOSAL REQUIREMENTS

A. Inquiries

Inquiries concerning the request for proposals and the subject of the request for proposals must be made to:

Frances Bengtson
Executive Director
Soledad-Mission Recreation District
P.O. Box 1650
570 Walker Drive
Soledad, CA 93960
frances@soledadrec.org or buildingcommunity@soledadrec.org
(831)678-3745

B. Format and Content of Proposals

All firms shall submit six (6) copies of their proposal in the following order and outline them in the following manner:

Title Page

Identify the RFP subject, the name of the firm, local address, telephone number, the name of the contact person, and the date of the submittal. If the firm has more than one office, state which office will be responsible for providing services to the District.

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

Proposal Data Sheet

In addition to your formal response, all firms must enclose a data sheet. Refer to the attached example.

Introduction/General Information/Types of Clients

Briefly introduce your firm, indicating whether your firm is local, regional, national, or international. Identify the location of the office from which the work is to be done. Provide a short profile of the firm and staff levels. Indicate the name of the person who will be authorized to answer questions and to bind the firm, the person's title, address, and telephone number. Indicate your firm's types of clients and any other useful information.

Proposal Criteria

Fully explain your firm's ability to deal with the following subject matter, giving special attention to specifics given throughout this request for proposal:

- Experience
- Competence/Education
- Reputation
- Peer Review
- Extraordinary Services
- Personnel Changes
- Price – A complete estimate and explanation of fees is to appear in the text of your response in addition to the estimates contained on the proposal data sheet

Resumes of Those Individuals Supervising the Audit

Submit Draft Pro-forma Audit Contract with Your Firm's Proposal

IX. SELECTION PROCESS

A. Staff Evaluation

The District Executive Director will evaluate proposals submitted.

B. Final Selection

The District's Board of Directors will select a firm based upon the recommendation of the District Executive Director.

It is anticipated the selection process of a firm will be completed at the latest on February 28th, 2023, staff recommendations will be reviewed by the Board of Directors on January 24, 2023, the Board may choose a review committee to complete the selection process with ratification at a special meeting in February. Following the notification of the selected firm, it is expected a contract will be executed between both parties in February 2023.

**SOLEDAD-MISSION RECREATION DISTRICT
AUDITING SERVICES
PROPOSAL DATA SHEET**

I. FIRM NAME: _____ DATE: _____

CONTACT PERSON: _____

PHONE: _____

**II. QUALIFICATIONS
(Briefly state your firm's qualifications.)**

III. PAST GOVERNMENTAL CLIENTS/CONTACT PERSON (List three)

| <u>Client</u> | <u>Most Recent Audit</u> | <u>Contact</u> | <u>Phone</u> |
|---------------|--------------------------|----------------|--------------|
|---------------|--------------------------|----------------|--------------|

IV. AUDITING PERSONNEL PROVIDED FOR THIS ENGAGEMENT*

| <u>Name</u> | <u>Title</u> | <u>Years Experience</u> | <u>Cert./ Degree</u> | <u>Last Public Audit</u> |
|-------------|-------------------|-------------------------|----------------------|--------------------------|
| | Partner | | | |
| | Manager | | | |
| | Senior Accountant | | | |
| | Accountant | | | |

V. HOURLY RATES OF AUDITING PERSONNEL

| <u>Name</u> | <u>Title</u> | <u>Standard Hourly Rate</u> | <u>Quoted Hourly Rate</u> |
|-------------|-------------------|-----------------------------|---------------------------|
| | Partner | \$ ____ per hour | \$ ____ per hour |
| | Manager | \$ ____ per hour | \$ ____ per hour |
| | Senior Accountant | \$ ____ per hour | \$ ____ per hour |
| | Accountant | \$ ____ per hour | \$ ____ per hour |

***Please remember to include resumes with your RFP response.**

VI. FEES

| <u>Service</u> | <u>Anticipated Hours Expended</u> | <u>Fees 2020-2022</u> | <u>Fees 2022-2024</u> | <u>Fees 2024-2026</u> |
|----------------------|---------------------------------------|---------------------------|---------------------------|---------------------------|
| 1. Audit | _____ | _____ | _____ | _____ |
| 2. Management Letter | _____ | _____ | _____ | _____ |
| Total | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |

VII. QUALIFICATIONS REGARDING FEES

Please state succinctly any qualifications you need to make regarding your proposed fee (e.g., out of pocket expenses, fee increases, extraordinary services, etc.)

VIII. BILLING SEQUENCES

(Please state the firm’s normal billing practice, as it will be applied to this engagement.)

IT IS UNDERSTOOD THAT THIS INFORMATION MUST BE COMPLETED AND SUBMITTED BY 5:00 P.M., FRIDAY, JANUARY 20, 2023 TO THE SOLEDAD-MISSION RECREATION DISTRICT, P.O. Box 1650 Soledad, CA 93960, ATTENTION: Executive Director, Frances Bengtson

Signature of Individual Submitting Proposal
On Behalf of Firm

Date

**Before the Board of Supervisors in and for the
County of Monterey, State of California**

Approve a Request from the Soledad-Mission Recreation District for an "ongoing" Exemption to the Annual Audit Required by Government Code Section 26909 and Authorize Preparation of a Biennial Audit covering the Fiscal Year of 2009-10 and each year thereafter (unanimous vote required).

Upon motion of Supervisor Parker, seconded by Supervisor Salinas, and carried by those members present, the Board hereby:

Approves a Request from the Soledad-Mission Recreation District for an "ongoing" Exemption to the Annual Audit Required by Government Code Section 26909 and Authorize Preparation of a Biennial Audit covering the Fiscal Year of 2009-10 and each year thereafter (unanimous vote required).

PASSED AND ADOPTED this 21st day of July, 2009, by the following vote, to wit:

AYES: Supervisors Armenta, Salinas, Calceagno, Parker
 NAYS: None
 ABSENT: Supervisor Potter

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Mobile Book 28 for the meeting on July 21, 2009.

Dated: July 22, 2009

Gail T. Borkowski, Clerk of the Board of Supervisors
 County of Monterey, State of California

By:  _____
 Deputy



**SOLEDAD-MISSION
RECREATION
DISTRICT
ANNUAL
FINANCIAL REPORT
JUNE 30, 2020
&
JUNE 30, 2019**