



REQUEST FOR PROPOSAL

Professional Auditing Services

Submit Proposals To: Hesperia Recreation & Park District
P.O. Box 401055
Hesperia, CA 92345

Direct Inquiries: Moises Artola
Finance Manager
(760) 995-1799
martola@hesperiaparks.com

Proposal Due: May 26, 2024

Form of Submittal: Printed Copy and Electronic Version

All bid proposals shall be sealed and marked on the outside as:

“AUDIT BID PROPOSAL”

REQUEST FOR PROPOSAL Professional Auditing Services

HESPERIA RECREATION & PARK DISTRICT

INTRODUCTION

The Hesperia Recreation and Park District (HRPD), an independent special district, was formed in 1957. The District provides parks and recreation facilities to the residents within its sphere of influence, including the City of Hesperia and portions of the unincorporated area of Oak Hills, Summit Valley and Phelan. The District encompasses approximately 100 square miles and maintains parks, facilities, landscape maintenance districts and street lights. Community activities are also provided by the District, such as aquatics, camps and classes, dance, music, health and fitness, and sports programs. Funding for the District comes from property taxes, grants, developer dedication or in-lieu fees, lighting and landscape assessment districts and community facility districts.

The District is governed by a five-member Board of Directors who are elected by the registered voters of the District’s boundaries to four-year staggered terms, with elections held in even-numbered years. The HRPD staff includes thirty-six full-time employees who comprise the following six departments: Administration, Facilities, Finance, Recreation, Parks and Special Services. All employees are overseen by a General Manager who is appointed by the Board of Directors. The District has an annual operating budget of approximately \$9.5MM.

The District’s Administrative Office is located at 16292 Lime Street, Hesperia, California. Our records are prepared and retained at this location. This includes but is not limited to prior year’s audit report, management letters, financial statements, budgets, payroll records and invoices. More information about the District can be found on our website, www.hesperiaparks.com.

PURPOSE

The District is requesting proposals from qualified certified public accounting firms to audit financial statements for three (3) fiscal years ending June 30, 2024, through 2026. The District shall have the right, at its sole option, to extend the contract for one or two additional fiscal years subject to the satisfactory negotiation of terms, including a price acceptable to the District and selected firm.

Audits are to be performed in accordance with the California State Controller's minimum audit requirements for special districts, Generally Accepted Auditing Standards, and Government Auditing Standards.

NATURE OF SERVICES REQUIRED

The following specifications cover the key areas of interest to the District in regard to this RFP for audit services.

1. Perform audit in accordance with Generally Accepted Auditing Standards and express an opinion on the fair presentation of the District's financial statements and notes to the financial statements in conformity with generally accepted accounting principles. The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.
2. Issue a separate "management letter" that includes recommendations for improvements on internal control, accounting procedures and other significant observations that are considered to be non-reportable conditions. Management letters shall be addressed to the General Manager.
3. Presentation to the Board of Directors. The Auditor will provide a presentation to the Finance Committee and a final presentation to the Board of Directors at the Regular Board Meeting at the conclusion of each audit. The Auditor may be requested to attend an additional meeting if needed to present other audited reports.
4. In addition to the audit, the selected auditor will assist with the preparation of the Annual Financial Report. This includes, but is not limited to, comparative statements of net position, statements of activities, balance sheets – governmental funds, statements of revenues, expenditures, and changes in fund balances – governmental funds, relevant reconciliations, and notes to financial statements. The Annual Financial Report should also include required supplementary information and combining balance sheets and combining statements of revenues, expenditures, and changes in fund balance for special revenue funds.
5. In response to this RFP, separately itemize any additional costs associated with the preparation of an Annual Financial Report, distinct from the proposed costs of audit services.
6. Prepare and submit the Annual Financial Transactions Report required by the SCO.
7. Tax return for the Hesperia Area Recreation District Foundation.
8. If applicable, perform a single audit on the expenditures of federal grants in accordance with OMB Circular A-133 and render the appropriate audit reports on Internal Control over Financial Reporting based upon the audit of the District's financial statements in accordance with government Auditing Standards.

9. Provide general consultation on financial accounting and reporting matters as required during the year.

10. Retain all working papers and reports at the Auditor's expense for a minimum of five (5) years. The Auditor will be required to make working papers available to the District upon request. In addition, Auditor shall respond to reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

TIME REQUIREMENTS

Key Dates for Proposal Evaluation and Selection

Request for Proposals Issued	April 26, 2024
Due Date for Proposals	May 26, 2024
Firm Presentation/Interviews (if requested):	Week of June 5th, TBD
Selected Firm Notified	July 14, 2024
Final Report Submission	December 31 st , TBD

Date Audit May Commence

Each year the District will have all records ready for preliminary audit fieldwork and all management personnel available to meet with the firm's personnel at the end of July.

The District reserves the right to adjust this schedule when appropriate.

PROPOSAL REQUIREMENTS

Proposals submitted pursuant to this request must contain the following information:

1. Proposals shall include 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 specified time period, a statement why the firm believes itself to be the best qualified to perform the engagement and statement that the proposal is a final and irrevocable offer for a period of sixty (60) calendar days from submission.
2. Proposals shall include the name of the firm and provide information on 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.
3. Proposals shall provide a list of similar engagements with other governmental entities performed in the last five years, as well as any other related experience. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, and engagement partners.
4. Proposals shall provide a minimum of five references that may be contacted regarding the firm's capabilities. References shall include the audited firm's name, contact individual name, current telephone number, and type and dates of services rendered.

5. Proposals shall identify the principal supervisory, management, and other key staff that will be assigned to the District's account and include resumes for each person, including titles, professional licenses and certifications held, educational background, key experience relating to the scope of work, and the number of years in auditing with your firm.
6. Proposals shall provide a copy of the firm's most recent peer review or quality assurance review.
7. Proposals shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations, as well as any settled litigation within the past three (3) years.
8. Proposals shall include an organizational chart of the management team of the firm.
9. Proposals shall provide an affirmative statement that the firm and all assigned key personnel are properly licensed to practice public accountancy in the State of California.
10. Proposals shall include the dollar amounts of coverage for fidelity bonds, errors and omissions, general liability, workers compensation, and any other fiduciary coverage that your firm carries. For each type of insurance, the proposal should include the limits of coverage, the names of the insurance carriers providing the coverage, and the policy expiration dates.
11. Proposals shall describe your firm's efforts regarding the protection of client data and the handling of any data breaches, if applicable.
12. Proposals shall indicate whether any officer or principal of your firm has been involved in litigation relating to auditing or accounting activities. If so, provide a brief explanation and indicate the current status of the proceedings.
13. Proposals should include the services your firm provides that distinguishes your firm from your competitors. Convincingly and briefly explain why your firm is the most qualified for this engagement.
14. Proposals shall include a specific timeframe to complete the various phases of the audit.
15. Proposals shall include a listing of services, data, schedules, and information to be furnished by the District.
16. Proposals shall include projected staff hours required to complete the audit, along with hourly billing rates of the various levels of staff who will be assigned to the audit.
17. Proposals shall include a total all-inclusive maximum fee to be charged for audit services for each of the three (3) fiscal years requested. The maximum fee shall include all direct and indirect costs, including such items as travel and out-of-pocket expenses. Separately identify Annual Financial Report preparation costs and State Controller Reports.

GENERAL DUTIES

The selected Audit Firm is expected to perform/handle the following general responsibilities:

1. Treat all information belonging to the District as confidential. This obligation extends to any data created, collected, generated, or obtained within the framework of the contract. In the event of a breach or suspected breach of the District's confidential information, the firm shall promptly notify the District. Failure to uphold confidentiality may result in termination of the contract and the Firm being held accountable for damages.
2. Direct all requests, reports, and other communications utilizing the District's database through the General Manager or the District's designated representative.
3. Inform the District promptly of any anticipated changes to the personnel assigned to the engagement. The Auditor is required to submit resumes of proposed replacement personnel and obtain prior written approval from the District for any changes to the assigned personnel.
4. Notify the District, in writing, promptly upon the discovery of any actual or potential conflicts of interest concerning the provision of the firm's audit services.

EVALUATION OF PROPOSALS

Proposals submitted which conform to the requirements of this Request for Proposals will be evaluated based upon the following criteria:

1. The firm's past experience and performance on comparable government engagements. 30%
2. The quality of the firm's professional personnel to be assigned to the engagement. 30%
3. Planning of the examination. 30%
4. Fee for the engagement. 10%

It is anticipated that a contract for service will be offered to the firm deemed most highly qualified by the District as a result of this process.

The Board of Directors will make the final decision. Prior to Board consideration, the District's Finance Committee will review the recommendation for the successful firm. Final selection will be 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.

SUBMISSION OF PROPOSALS

A copy of the proposal must be submitted no later than the deadline of May 26, 2024. If mailed, the proposals shall be sealed and submitted as follows:

Hesperia Recreation & Park District
Attn: Moises Artola
P.O. Box 401055
Hesperia, CA 92345

"Audit Bid Proposal"

Proposals must be sealed and labeled on the outside of the package to clearly indicate that they are in response to the RFP. Proposers should allow adequate mail delivery time to ensure the receipt of the proposals by the deadline. Late proposals will not be considered for review. The District reserves the right to determine the timeliness of all proposals submitted.

Proposers are requested to provide one (1) spiral-bound original, one (1) hard copy and one (1) electronic copy on a flash drive in PDF format of the proposal. Proposers selected to make presentations to the Board or Committee will be requested to submit five (5) additional copies of their proposal.

Please direct all comments to the Finance Manager. Comments regarding this RFP must be in writing and may be mailed or emailed to the Finance Manager listed on the cover page.

CONTRACTURAL ARRANGEMENTS AND PAYMENT

A written agreement will be entered into by Hesperia Recreation & Park District with the selected audit firm to provide audit services. This can be done either by a contract or a letter of engagement.

Payment for the audit services will be made on the basis of hours of work completed during the course of the engagement. Payment will be made to the audit firm within Net 30 days of each invoice and the final payment upon acceptance of the final report.

OTHER INFORMATION

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 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 bidding proposal.

RIGHT TO REJECT

This RFP does not commit the District to award an agreement or to contract for services. The District reserves the right to reject any and all proposals, to waive minor irregularities in any proposal, to negotiate with qualified sources, or cancel this request in total or in part. The District shall not be responsible for any proposer's costs incurred in preparation and submittal of their proposals nor in the selection process.