

REQUEST FOR PROPOSALS

PROFESSIONAL MUNICIPAL AUDITING SERVICES

The Town of Waterville Valley, New Hampshire is seeking proposals from certified public accounting firms relative to the performance of the Town's annual financial and compliance audits. Copies of the request for proposals may be obtained from the Administrative Services Manager, 14 TAC Lane, Waterville Valley, NH 03215. Responses must be received no later than **September 1, 2022 at 3:00 pm, EST**. There will not be a public opening of the proposals. Proposals cannot be withdrawn for a period of ninety (90) days. The Town of Waterville Valley reserves the right to accept or reject any or all proposals submitted in response to this request.

The Town of Waterville Valley, New Hampshire ("Town") is requesting proposals from qualified independent certified public accountants (Auditors"), licensed to practice in the State of New Hampshire, with expertise in governmental accounting and auditing, to perform an audit of the Town's financial statements for the fiscal year ending December 31, 2022.

The Town will also consider two (2) one-year renewals if mutually agreed upon.

Questions should be directed to Mark Decoteau, Town Manager, at (603) 236-4730.

I. INFORMATION FURNISHED TO PROPOSER

A. Background and General Information

1. The Town is a local government of the State of New Hampshire. The Town serves an area of approximately 40,811 total acres, 40,225 of which are White Mountain National Forest and a population of approximately 646 based upon the 2021 data.
2. The Town is governed by a three person selectboard and managed by a Town Manager.
3. The Town's fiscal year is from January 1 to December 31.
4. The Town has a total General and Other Governmental Funds fund balance for the fiscal year ended December 31, 2021 of approximately \$800 thousand.
5. Total audited revenue for Governmental Funds was \$4.16 million for fiscal year ended December 31, 2021.
6. The Town currently reports the following funds and account groups:
 - a. Major Governmental Funds:
 - General Fund
 - b. Non-Major Governmental Funds:
 - Capital Project Funds

7. The most recent audit of the Town was performed by ALTA CPA Group for the fiscal year ended December 31, 2021. The Town received a clean opinion as to its financial position and internal controls.

B. Description of Records

1. The Town maintains its general records in accordance with generally accepted accounting principles.

2. The following records are maintained on the Town's automated accounting information system: QuickBooks Desktop

- a. General ledger
- b. Budgetary
- c. Accounts payable
- d. Accounts Receivable
- e. Payroll

3. Property Tax and Utilities -Avitar and QuickBooks

4. Motor Vehicles and Town Clerk functions – Clerkworks

5. Recreation- RecDesk and QuickBooks

4. Other Conditions

C. Objective and Scope of Work to be Performed

1. The audit will encompass a financial and compliance examination of the Town's basic financial statements, supplementary information and compliance reports. The financial and compliance audit will cover federal, state and local funding sources in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the following:

- Government Auditing Standards issued by the U.S. Government Accountability Office; • Single Audit Act of 1984 and Single Audit Act Amendments of 1996, if applicable;
- Provisions of the U.S. Office of Management and Budget OMB Circular No. A-133, Audits of States, Local Governments, and Non-Profit Organizations, if applicable;
- Government Auditing Standards and Circular A-133 Audits issued by the American Institute of Certified Public Accountants; and
- All other applicable laws and regulations.

2. The Auditor will be responsible for the preparation and printing of the Comprehensive Annual Financial Report (CAFR), basic financial statements, supplementary information, compliance reports and MS-535, as required by the Department of Revenue Administration; both in format and by the prescribed due date as determined by the State of New Hampshire. The Auditor will submit a draft of the financial statements to be reviewed in detail by the Town Manager. This draft shall be submitted to the Town in time to allow ample review and corrections.

3. The audit shall result in the preparation of financial statements from the audited records of the Town with the Auditor's opinion thereon. The Auditor's opinion shall be expressed in the report and include reasons for qualifying the opinion, disclaiming the opinion, or rendering an adverse opinion.
4. If required, the Auditor shall perform the audit and prepare all reports pertaining to the Single Audit Act of 1984 and the Single Audit Act Amendments of 1996.
5. The auditor should also be familiar with and prepared to advise Town staff on how to best implement both current and proposed GASB Statements. In addition, the auditor is also expected to provide informal advice and consultation throughout the year on matters relating to accounting and financial reporting. This would not necessarily include any task that entails significant research or a formal report.
6. Should circumstances arise during the audit that requires significant additional work to be performed in excess of the amounts set forth in the contract, additional costs shall be negotiated prior to commencement of the work and an amended contract will be submitted for approval to the Town.
7. In planning and performing the audit, the Auditor shall consider the Town's system of internal control over financial reporting as a basis for designing auditing procedures and for the purpose of expressing an opinion on the financial statements. The Auditor shall communicate in a written report titled Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Audit Standards any material weaknesses in internal controls found during the audit. A material weakness shall be defined as a significant deficiency in internal controls, or combination of significant deficiencies that results in more than a remote likelihood that a misstatement of the Town's financial statements will not be prevented or detected by the Town. Said report shall include written responses by government officials to the Auditor's comments and recommendations.
8. Non-material conditions and/or other matters that come to the attention of the Auditor related to opportunities for strengthening internal controls and operating efficiencies shall be reported in a management letter. The management letter shall include written responses by Town Manager, or other management staff, to the Auditor's comments and recommendations.
9. The Auditor shall be required to make an immediate written report of irregularities and illegal acts, or indications of illegal acts of which they become aware, to the Town Manager, Administrative Services Manager or Governing Body.
10. As guided by AICPA Auditing Standards Board Statement on Auditing Standard No. 117, the Auditor should exercise due professional care in understanding the type of engagement and also require that if during the audit the Auditor becomes aware that the Town is subject to audit requirements which may not be encompassed in the terms of the engagement he or she should communicate to management or others with equivalent authority and responsibility that the audit may not satisfy the requirements.
11. The firm shall agree to make available its working papers upon request, to meet any Town financial need as well as in accordance with any federal or state grant provision. Working papers will be kept for three years from the submission of the final audit report.

D. Report Requirements

Following the completion of the audit of the fiscal year's financial statements, the Auditor shall issue the following:

1. A report on the fair presentation of the basic financial statements in conformity with generally accepted accounting principles for the Town. The financial audit opinion will cover the basic financial statements.
2. A report on internal control and compliance with laws, regulations, and provisions of contracts and grant agreements based on the audit of the financial statements performed in accordance with Government Auditing Standards.
3. A report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133 and the Single Audit Act, if applicable.
4. A schedule of findings and questioned costs in accordance with the Single Audit Act, if applicable.
5. Management letter if appropriate.

E. Assistance to be Provided to the Auditor

1. The Town will designate the Administrative Services Manager and the Finance/HR Coordinator as the audit engagement coordinator to work directly with the Auditor. The engagement coordinator will have responsibilities for the following:

- a. Primary contact for questions, securing information, and other pending issues between the Auditor and the Town on items related to the financial statements.
- b. Receiving initial draft copies and re-drafted copies of the financial statements, management letter and internal control letter from the Auditor and circulating drafts to the Town Manager and appropriate personnel.
- c. Coordinating meetings with Auditor and the Town Manager, Finance Personnel and Board of Selectmen.
- d. Monitoring and reviewing the progress reports from the Auditor.
- e. Helping to resolve issues with the Auditor not related directly to financial statements.
- f. Oversight of "Representation Letter" by management to Auditor.

2. The Town will render all feasible assistance to the Auditor and shall respond to requests within reason for information; provide all necessary books and records; provide account analysis worksheets, computer reports on all activity on requested accounts, and provide physical facilities required by the auditors for the expeditious conduct of this engagement.

3. The staff of the Town will be available to assist by providing information, documentation, and explanation as required.

4. A trial balance with budgeted amounts can be made available to the Auditor via hard copy or e-mail. Assistance in converting these statements to government wide statements will be anticipated from the Auditor.

F. Timing Requirements

1. The Auditor will attend a preplanning conference with the Town Manager and other appropriate personnel prior to the interim field work; periodic conferences during the audit; as well as an exit conference prior to the completion of field work.
2. The Town Manager will receive a listing of requested information needed for the audit at the preplanning conference.
3. The Town prefers interim field work to be performed and completed in the 4th quarter of the fiscal year being audited.
4. The audit must be completed, and reports rendered within four months following the fiscal year end of the Town and must not exceed six months following the fiscal year.
5. A preliminary draft of the audit and required journal entries must be submitted to the Town Manager within four months of year end for proofing and reconciliation to the Town's records.
6. The Auditor shall provide a digital copy of each audit report, management letter, and other applicable reports within the time frame cited above. In addition, the Auditor shall provide one copy of the original audit reports, management letter and other applicable reports in electronic format.
7. The Auditor shall attend one meeting with the Town Finance Personnel and Board of Selectmen, at which time the audit report and management letter will be discussed.
8. Progress reports are to be submitted with billings. These reports are to measure results against the Auditor's work plan. The Auditor shall promptly report to the Town Manager, and Finance Personnel any conditions which impede the proper conduct or planned timetable of the audit.

II. PROPOSAL PREPARATION AND SUBMISSION REQUIREMENTS

A. General Requirements

1. Sealed proposals will be received until **3:00 p.m. EST on Sept 2, 2022.**
2. All inquiries for information should be directed to: Mark Decoteau, Town Manager (603) 236-4730
3. The proposal should be mailed or delivered directly to: Town of Waterville Valley Town Manager Attn: Mark Decoteau 14 TAC Ln Waterville Valley, NH 03215
4. Five (5) copies of each of the Technical and Cost proposals should be submitted.
5. The Town requests that no Town officials be contacted during the process. The Town Manager may be contacted only to clarify questions concerning the RFP.
6. The Town reserves the right to reject any or all proposals; to cancel the solicitation, waive technicalities; request clarification or additional information and be the sole judge of suitability of the services for its intended use and further specifically reserves the right to make the award and negotiate the final contract in the best interest of the Town considering cost effectiveness. Failure to respond to any requirements outlined in the RFP, or failure to enclose copies of the required documents, may disqualify the bid. The Town reserves the right to retain all submitted proposals.

7. In order to standardize the review process, the Auditor's Technical and Cost proposals must be presented in the following format and include the designated information. Auditors are cautioned that any deviation from this format may result in the disqualification of their submission.

B. Technical Proposal

1. Title Page

- a. Project title
- b. Name of submitter firm
- c. Address and telephone number of submitter firm
- d. Name of contact person
- e. Date of submission

2. A Letter of Transmittal (limit to one or two pages)

- a. Briefly state the submitter's understanding of the work to be done and make a positive commitment to perform the work within the required time frame.
- b. This letter should be signed by the individual authorized to negotiate for and contractually bind the firm.

3. Table of Contents

- a. Include a clear identification of the material by section and by page number. Such sections will be those identified below.

4. Professional Experience and Qualifications

- a. Indicate the location of the office and the number of people, by level that will handle the audit.
- b. Indicate whether the firm is licensed to practice in the State of New Hampshire.
- c. Provide a list of the office's most significant engagements (maximum of 5) performed in the last two years that are similar to the engagement described in the RFP. Indicate the type(s) of services performed and the number of years served for each. For each engagement listed, provide names, addresses, and telephone numbers of personnel of current and prior governmental audit clients who may be contacted by the Town for reference.
- d. Indicate the experience of the local office in providing additional services to the government clients by listing the name of each government, the type(s) of services performed, and the number of years of engagement.
- e. Describe your audit organization's participation in AICPA-sponsored or comparable quality control programs (peer review). Provide a copy of the firm's current peer review including management letter and responses, if any. Indicate whether review included government engagements.
- f. Identify and describe the professional experience in governmental audits of each senior and higher level person that would be assigned to the audit, including years on each job and his/her position while

on each audit. Indicate the percentages of time each senior and higher-level person will be on site during the Town's audit.

g. Describe the firm's policy on notification of changes in key personnel on audit engagements. The Town's philosophy is as follows: Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm. Those personnel may also be changed for other reasons. However, in either case, the Town retains the right to approve or reject replacements.

h. Identify proposed sub-contractors, if any, and the portion(s) of the engagement for which they will be used.

i. Provide a resume for each individual who may be assigned to the audit which describes his/her professional qualifications, licenses, (e.g. CPA) and experience in auditing relevant government organizations, programs, activities, or functions. Additional information should include any specialized skills, training, or background in public finance. This may include participation in State or national professional organizations, speaker or instructor roles in conferences or seminars, or authorship of articles or books.

j. Describe how the firm meets professional independence standards.

5. Approach to the Audit

Describe the firm's specific audit approach in the form of a work plan. The work plan should include an explanation of the audit methods to be used.

a. Provide an understanding of the services to be performed and the work products to be provided as defined in this RFP.

b. Provide a work plan to accomplish the scope of services, within the required time frame. The work plan should include time estimates by staff level for each of the significant segments of the work and the staff assigned to each segment. Include a brief discussion of the audit procedures to be used in the audit process for each segment.

c. Proposed segmentation of the engagement

d. Sample size and extent to which statistical sampling will be used

e. Extent of use of EDP software in the engagement

f. Type and extent of analytical procedures to be used in the engagement

g. Approach to be taken to gain and document an understanding of the Town's internal control structure

h. Approach to be taken in determining laws and regulations that will be subject to audit test work

i. Approach to be taken in drawing audit samples for purposes of tests of compliance.

6. Other Information

a. Describe liability insurance coverage arrangements to assure that it is sufficient to cover claims.

b. Describe any regulatory action taken by any oversight body against the proposing audit firm or local office, if any.

c. Identify any potential audit difficulties, along with the firm's proposed resolution and any additional assistance expected from Town staff.

d. Provide any other information you believe relevant to the decision of selection of the best auditing firm for the Town.

7. Cost Proposal

The Cost Proposal should address the requested information below.

1. Describe the organization of the audit team and the approximate percentage of time spent on the audit by each member.

2. Comment specifically on the timeline and how the Town can assist in expediting the audit. Describe assistance expected from the Town staff, if other than outlined in RFP.

3. Identify a tentative schedule for completing the audit within the specified deadlines.

4. Using a format similar to the one shown below, separately specify costs for audit services for the three (3) consecutive years beginning with the fiscal year ending December 31, 2022 and ending with the fiscal year December 31, 2024.

5. Include a signed "Bid Certificate", included in this RFP package.

6. Identify and describe any other important cost-based information.

Selection Process

The evaluation process will include each technical proposal being reviewed by the Administrative Services Manager and the Town Manager. Based on this review, approximately 2-3 finalists will be selected to interview with the Administrative Services Manager, Town Manager, and any other Town representatives deemed necessary. After conducting the interviews, the Town staff will review the cost proposals submitted by the finalists. The final recommendation will be submitted to the full Board of Selectmen for approval.

Proposals will be evaluated against specifications as presented in this document. No award will be made to any firm who cannot satisfy the Town that they have sufficient ability and experience in this class of work and sufficient capital and planning to enable them to prosecute and complete delivery of the services successfully within the time named. The Town's decision or judgment on these matters shall be final, conclusive and binding. Conditional proposals will not be accepted.

TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE
PROFESSIONAL MUNICIPAL AUDITING SERVICES.

PROPOSAL CERTIFICATE

The undersigned represents that they are authorized to bind the proposer to the proposal amount specified and hereby offers to provide to the Town of Waterville Valley the commodities and services as contained in the attached competitive sealed proposal specifications at the price stated in complete accordance with all conditions of the proposal specifications. Furthermore,

The undersigned certifies that this proposal is in all respects bona fide, fair, and made without collusion or fraud with any other person. As used in this section the word "person" means any natural person, joint venture, partnership, corporation or other business or legal entity

Signature/Title

Company

Date

Phone Number

GENERAL TERMS AND CONDITIONS

Preparation of Proposals

Proposals shall be submitted on the forms provided and must be signed by the proposer or the proposer's authorized representative. The person signing the proposal shall initial any corrections to entries made on the proposal form.

Unless otherwise stated in the Request for Proposal, the proposer agrees that the proposal shall be open for acceptance for ninety (90) calendar days from the date of submittal to the Town of Waterville Valley.

Acceptance or Rejection of Proposals

The Town of Waterville Valley reserves the right to reject any or all proposals, to waive technical or legal deficiencies, and to accept any proposal that is determined to be in the best interest of the Town.

The Town of Waterville Valley also reserves the right to reject the proposal of a proposer that has failed to perform properly or complete on time contracts of a similar nature.

Delivery of Proposals

Proposals must be submitted in a sealed envelope and shall be addressed to the Town at the address and to the attention of the official as outlined in the proposal documents. All proposals must be submitted prior to the specified date and time. Any proposals received after the specified date and time will not be considered and will not be opened. Proposal delivered via facsimile, e-mail, or any format other than within a sealed envelope shall not be considered.

Withdrawal of Bids/Proposals

A proposer will be permitted to withdraw their proposal unopened after it has been deposited if such request is received in writing prior to the time specified for final delivery of the proposal.

Proposal Ownership and Costs

Upon submission, proposals become the property of the Town of Waterville Valley. The cost of preparing and submitting a proposal is the sole responsibility of the proposer and shall not be chargeable in any manner to the Town. The Town will not reimburse any proposer for any costs associated with the preparation and submission of a proposal.

Examination of Proposed Materials

The submission of a proposal shall be deemed a representation and warranty by the proposer that it has investigated all aspects of the RFP, that it is aware of the applicable facts pertaining to the RFP process and its procedures and requirements, and that it has read and understands the RFP. No requests for modification in the provisions of the proposal shall be considered after its submission on the grounds that the proposer was not fully informed as to any fact or condition. Statistical information, which is contained within an RFP or any addendum thereto, is for informational purposes only. The Town disclaims any responsibility for this information that may subsequently be determined to be incomplete or inaccurate.

Insurance Requirements

The successful proposer shall procure and maintain insurance, in the amounts and coverage detailed by the proposal documents at the proposer's sole expense. The successful proposer shall be required to present to the Town of Waterville Valley a certificate of insurance in the amounts required naming the Town of Waterville Valley as an additional insured.

Proposal Results

After the proposals are compiled by the Town, the proposal results will be available for the public. Proposers that desire a comprehensive list of the proposal results may request such, in writing, to the Town Manager.

The award of a proposal shall not be considered official until such time that a fully executed contract or an award letter has been issued by the Town of Waterville Valley. No presumption of award shall be made by any proposer until such documents have been executed and are in hand. Verbal notification of

award is not considered official. Any action by the bidder to assume otherwise is done so at their own risk and the Town will not be held liable for any expense incurred by a proposer that has not received an official award.