

ISLA VISTA COMMUNITY SERVICES DISTRICT  
INVITATION TO RFP

April 25, 2019

RFP'S for Auditing Services, subject to the conditions contained herein, will be received by the Isla Vista Community Services District by Wednesday May 8, 2019.

This is our first audit as a District. Our activity for FY 17-18 was less than \$100,000 in expenditures, with 31 revenue transactions and 55 expenditure transactions.

Copies of the RFP's are available on the District website at [islavistacsd.ca.gov](http://islavistacsd.ca.gov)

Questions concerning the proposals may be directed to Jonathon Abboud at 310-734-9791 or by email at [generalmanager@islavistacsd.com](mailto:generalmanager@islavistacsd.com).

Written proposals should be delivered by email to Jonathan Abboud at [generalmanager@islavistacsd.com](mailto:generalmanager@islavistacsd.com)

The District will review all proposals received.

Jonathan Abboud  
General Manager

April 25, 2019

To whom it may concern:

Your firm is invited to submit a proposal to the District for the audit of the Isla Vista Community Services District (hereinafter referred to as "District") for the five years ended June 30, 2018, 2019, 2020, 2021 and 2022. We are requesting proposals from a small group of audit firms that do business within Santa Barbara County and who do audits of California Special Districts. It also may be beneficial if the firm selected is familiar with the Districts accounting system. The District deposits monies with the Santa Barbara County Treasurer and uses the County of Santa Barbara general ledger fund Financial Information Network (FIN) as its accounting software.

Proposals are to be emailed to:

Jonathan Abboud, General Manager  
generalmanager@islavistacsd.com

Questions concerning the proposals may be directed to Jonathan Abboud at phone or email.

Interviews with the selected applicant will be within one week after the date of submission.

A contract must be approved by the Isla Vista Community Services District Board of Directors.

The District reserves the right to reject any proposal.

Attachments:

RFP

FY 17-18 Isla Vista Community Services District Draft Financial Statements

FY 17-18 Accounting System Trial Balance and Financial Status Report

FY 18-19 Accounting System Current Trial Balance and Financial Status Report

#### A. Nature of Services Required

The District fiscal year begins July 1 and ends June 30. The audit will cover all operations of the District. The District will want to complete its first-year audit for the year ended June 30, 2018 by June 30, 2019, including adoption by its Board of Directors. It is the intention of the district to complete its succeeding year audits within 60 days of its year end.

The auditor will conduct a financial audit of the District's financial statements for its government activities. The District only has a General Fund. The statements must be in compliance with GASB rules, technical bulletins, and interpretations.

The district does not yet have a pension system, no capital assets, no debt obligations and no Other Post-Employment Benefits. The District currently has just one employee its general manager. The District does not have plans that within the next five years to add other governmental funds, business-type activities or fiduciary funds. However, the District does have the authority to engage in these types of activities

The auditor, as part of the audit, could also have to conduct a single financial and compliance audit of federal grants, grant programs, and contract awards. However, the District received no federal funding for the fiscal year ended June 30, 2018. The District could seek federal awards in future year but would be unlikely it would meet Single audit reporting thresholds.

The auditor shall conduct the audit for the following purpose:

1. Provide the District with the auditor's opinion on the Districts' financial statements, which are to be prepared in accordance with general accepted accounting principles.
2. Determine the effectiveness of controls over, and proper accounting for revenue, expenditures, assets, liabilities and fund equity. This shall include a determination that the District's internal accounting control system provides reasonable assurance that material payments are properly authorized and allowable under the terms and conditions.
3. Determine that all funds are being expended in accordance with the terms of applicable agreements and those provisions of laws and regulations that could have a material effect on the financial statements, grants or awards.
4. Ensure accounting practices are in accordance with generally accepted accounting principles providing guidance where this is not the case.

#### B. Description of Entity to be Audited

The Isla Vista Community Services District, is a new Special District that was formed through a vote of the electorate in 2016. It was created by the California State legislature and its unique powers can be found in California Government Code section 61250, in addition to California Government Code sections 61001, et. seq. The District recorded its first financial transactions on the last days of June, 2017. These transactions opened the Districts accounts and are

considered by the District as financial transactions for FY 17-18, its first year of financial operations. The first-year operations were funded through UCSB grants and Community grants. In June 2018, the District voters approved an 8% utility user tax that was successfully implemented in FY 18-19. For FY 17-18 the financial transactions of the District were less than \$200,000 and for FY 18-19 are estimated at \$800,000 and for FY 19-20 estimated \$1,200,000. The District is bringing on-line a variety of Community Programs, hired staff, and worked closely with other local government agencies to enhance programs.

While the District considers its budget document and budget policies to drive the financial policy related to the financing of programs, it desires to produce District financial statements to help provide transparency, compliance and stewardship of the Community tax dollars and the programs being funded.

The District plans to prepare its financial statements for audit by the selected firm (included is a set of financial statements for FY 17-18). However, the District is looking for the recommendations of the audit firm to assure compliance with GAAP and to make this document a communication tool to demonstrate the results of District operations and its financial position.

#### C. Assistance Available to the Auditing Firm

The General Manager will be available to provide information and explanations relating to the various financial reports, and will support access to the general ledger system to provide detailed transactions and ledgers underlying the financial report. The District will prepare the basic financial statements. However, the District is open to using company firmware for enhancing the quality of the statements and their presentation.

#### D. Report Requirements

##### 1. **Management Discussion and Analysis**

##### 2. **Basic Financial Statements**

###### Government-Wide Financial Statements

- Statement of Net Assets
- Statement of Activities

###### Fund Financial Statement

- Balance Sheet—Governmental Funds
- Statement of Revenues, Expenditures, and Changes in Fund Balance—Governmental Funds
- Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of the Government Funds to the Statement of Net Assets

###### Notes to the Basic Financial Statements

### **3. Supplemental Schedules**

- Combined Statement of Revenues, Expenditures and Changes in Fund Balance— Budget and Actual—General Fund

### **4. Single Audit Schedules**

- If applicable a report on Compliance and Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards
- Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133
- Schedule of Expenditures of Federal Awards
- Notes to the Schedule of Federal Awards
- Schedule of Findings and Questioned Costs—Federal Compliance Requirement

It would be expected that if a schedule of Financial Awards would be required it would be prepared by the District. Again, the District is open to using the company firmware to enhance the quality of the statements and presentation.

The audited financial statements delivery dates to the District for the first year is prior to June 30, 2019. The due date by State Law is to complete all district audits within one year of the close of the fiscal year under audit. However, since this deadline is approaching the District's first goal is to produce a quality product and provide a framework to produce annual audits each year with 60 days of year-end. It is expected that the District would be able to compile the District financial statements within 20 days of year-end.

If necessary, a separate set of reports on federal financial assistance would be issued.

A management letter should be issued with findings and recommendations affecting the financial statements, internal controls, accounting, accounting systems, legality of action, other instances of non-compliance with laws and regulation and any other material matters. Since the District is just setting up its policies and procedures the District would greatly appreciate any management comments to improve its controls and compilation of the statements. The District with just one employee recognizes the lack of segregation of duties that this presents and plans to hire an Assistant Manager.

The District currently has a reserve policy with a plan to build a reserve in the long term.

An exit conference shall be conducted with the General Manager and 2 members of the Governing Body.

If applicable the auditing firm shall complete the Federal Clearinghouse Data Collection Form and perform all necessary steps to electronically file, the required reports with them.

E. Contractual Arrangements and Price Quote

The contract will be a five-year contract for fiscal years beginning July 1, 2017 and ending June 30, 2022. Your price quote is to include separate quotes for each of the five years and broken down between the financial and single audit functions.

F. Format and Content of Proposal

Title Page:

- RFP SUBJECT
- Firm name, address, telephone number, email address
- Name of contact for completion of RFP process and a contract if selected

Letter of Transmittal:

- State briefly your understanding of the work to be done with a positive commitment to perform the work within the time periods outlined in the proposal.

Other Provisions:

- The name or persons authorized to make representation for the firm, their titles, email addresses and telephone numbers.
- Indicate the number of people and titles located within the office that will handle the audit.
- Provide a list of local office's current and prior government audit clients indicating the type of services performed and the years of engagement.
- Indicate the local office's experience in providing additional services to government and the types of services performed.
- Describe the staff with experience in government audits that will be assigned to the engagement.
- Does your firm use firmware or templates to assist in compilation of government financial reports?
- In addition, to the above, you may submit additional information relevant to your proposal and its evaluation.

G. Evaluation Proposals

Mandatory Criteria:

- Must be a firm of certified public accounts licensed to practice in the State of California
- Must not have a record of substandard work

- All work is to be performed by the firm's employees

Technical Criteria:

Those proposers who have met each of the criteria in the above section will be evaluated on the following criteria:

- 20 technical points using the information provided by the firm in the proposal.
- Prior Auditing Experience of Special District Governmental Agencies 0-15 points
- Ability to commit to timely completion of audits 0-15 points
- Organization Size and Structure 0-15 points
- Professional Qualifications of Staff 0- 15 points
- Cost of the Audit 0-20

Firm Fit:

While the mandatory criteria and technical criteria are important in our evaluation, our District is looking for a firm to help our organization grow as a modern community driven government entity. We want to strive to be an innovative user of the Community resources entrusted to the District. We want to be an entity that makes a difference in the Isla Vista Community. We are looking for an audit firm that assists us in our goals by providing high quality and timely audit services to the District.