

PARADISE IRRIGATION DISTRICT
REQUEST FOR PROPOSALS
FOR PROFESSIONAL AUDITING SERVICES

I. INTRODUCTION

A. General Information

Paradise Irrigation District (“District”) is requesting proposals from qualified certified public accounting firms to audit its general-purpose financial statements for the next three fiscal years ending June 30, 2024, 2025, and 2026. These audits are to be conducted in accordance with auditing standards generally accepted in the United States of America, the current Single Audit Act Amendments (the Single Audit Act), the State Controller’s Minimum Audit Requirements for California Special Districts and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

To be considered, a proposal must be received by Brett Goodlin, Treasurer by mail or delivered to Paradise Irrigation District, 6332 Clark Road, Paradise, CA 95969-4146, by 3:00 p.m. by Friday, May 3, 2024. The District reserves the right to reject any or all proposals submitted.

Proposals submitted will be evaluated by the District’s Treasurer, Manager and Finance Committee who in turn will recommend the selection of an auditor to the District’s Board of Directors.

During the evaluation process, the Finance Committee and 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. At the discretion of the District, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

Paradise Irrigation 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 (“RFP”), 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 of a firm will be completed by May 15, 2024. Following the notification of the selected firm, it is expected a contract will be executed between both parties by May 31, 2024.

B. Term of Engagement

A three-year contract is contemplated, subject to the **annual review** and recommendation of the Finance Committee and satisfactory annual presentation to the

District's Board, the satisfactory negotiation of an annual engagement letter with any additional terms (including a price acceptable to both the District and the selected firm), the concurrence of the Paradise Irrigation District Board of Directors and the annual availability of an appropriation.

II. NATURE OF SERVICES REQUIRED

A. General

The District is soliciting the services of qualified certified public accounting firms to audit its financial statements for the three fiscal years ending June 30, 2024, 2025, and 2026. These audits are to be performed in accordance with the provisions contained in this RFP.

B. Scope of Work to be Performed

The Paradise Irrigation District desires the auditor to express an opinion on the fair presentation of its general purpose financial statements in conformity with generally accepted accounting principles.

The Paradise Irrigation District also desires the auditor to prepare and perform a Single Audit on the expenditures of federal grants in accordance with U.S. Office of Management and Budget (OMB) and render the appropriate reports and opinions as required by the Single Audit Act, OMB Uniform Grant Guidance/Super Circular, Government Auditing Standards and any other applicable standards or requirements.

C. Auditing Standards to be Followed

To meet the requirements of this RFP, the audit shall be performed in accordance with the standards set forth in Section I. A. of this RFP.

D. Reports to be Issued

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

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.
2. A report on compliance and internal control over financial reporting based on an audit of the financial statements
3. A Single Audit report along with appropriate reports and opinions as required by the Single Audit Act, OMB Uniform Grant Guidance/Super Circular, Government Auditing Standards and any other applicable standards or requirements.

In the required report(s) on compliance and internal controls, the auditor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. In addition, the following conditions shall be considered reportable:

Reportable conditions that are also material weaknesses shall be identified as such in the report. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Non-reportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the report on compliance and internal controls.

The report on compliance and internal controls shall include all material instances of noncompliance. All nonmaterial instances of noncompliance shall be reported in a separate management letter, which shall be referred to in the report on compliance and internal controls.

Irregularities and illegal acts. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the District's Finance Committee.

Reporting to the District Finance Committee. Auditors shall assure themselves that the District's Finance Committee is informed of each of the following:

1. The auditor's responsibility under generally accepted auditing standards
2. Significant accounting policies
3. Management judgments and accounting estimates
4. Significant audit adjustments
5. Other information in documents containing audited financial statements
6. Disagreements with management
7. Management consultation with other accountants
8. Major issues discussed with management prior to retention

9. Difficulties encountered in performing the audit

E. 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, unless the firm is notified in writing by the District of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the District.

In addition, 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 PARADISE IRRIGATION DISTRICT

A. Name and Telephone Number of Contact Person/Location of Offices.

The auditor's principal contact with the Paradise Irrigation District will be Brett Goodlin, Treasurer, at District Office, 6332 Clark Road, Paradise, California 95969-4146, or by telephone at (530) 877-4971 or a designated representative, who will coordinate the assistance to be provided by the District to the auditor.

B. Background Information

The District serves an area of approximately 18 square miles with a pre-fire population of approximately 26,000. Post-fire, the population is approximately 10,000 at this time. The District's fiscal year begins on July 1 and ends on June 30.

The District provides water service for residential, commercial/industrial, irrigation and fire protection with approximately 9,300 service connections.

The District has a total annual payroll of \$4,500,000 covering roughly 43 employees.

The District is organized into three basic operational areas: office/administration, water treatment plant facilities, and transmission/distribution fieldwork. The accounting and financial reporting functions of the District are centralized.

The District's primary source of federal funds is currently reimbursements from the Federal Emergency Management Agency relating to recovery efforts associated with the 2018 Camp Fire.

More detailed information on the District and its finances can be found in the District's annual budget, annual financial reports, and other documents available online at www.pidwater.com

C. Pension Plans

The Paradise Irrigation District participates in a deferred contribution retirement plan for its employees.

D. Magnitude of Finance Operations

The Office Manager and Finance and Accounting Manager supervises the finance personnel on a day-to-day basis.

E. Computer Systems

The District's computer system utilizes a PC Network with Windows as its operating system. Tyler Technologies, Lubbock, TX (800-646-2633) provides the software modules for the utility billing, finance, human resources, and inventory/cost accounting functions.

F. Availability of Prior Audit Reports and Working Papers

Interested proposers who wish to review available information should contact Georgeanna Borrayo, District Secretary at the District office. The District will use its best efforts to make prior audit reports and other information available to proposers to aid their response to this request for proposals.

IV. TIME REQUIREMENTS

A. Proposal Calendar

The following is a list of key dates up to and including the date proposals are due to be submitted:

B. CONTRACT DATES

Request for Proposal issued	March 13, 2024
Due Date for Proposals	May 3, 2024
Selection of Auditor by Board	May 15, 2024
Selection Firm Notified	May 16, 2024
Contract Date	May 31, 2024

C. AUDIT DATES

Date Audit Usually Commences	Last Week in June
Observation of Inventory	July 1 st
Fieldwork typically commences	3 rd week in October
Audit Presentation	3 rd Wednesday of December

D. After award of the contract, the District will meet with the selected firm to establish a

schedule for the proposed work. The schedule will include deadlines for the following work:

1. Interim Work
2. Detailed Audit Plan - This plan will consist of both a detailed audit plan and a list of all schedules to be prepared by the District
3. Draft Reports - The auditor shall have drafts of the audit report and recommendations to management available for review by the District Treasurer and the Finance Committee in late November of each year.
4. Final Report - It is anticipated that the Final Report will be presented to the Board by the third Wednesday in December of each year.

V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

A. Treasurer and Finance Department Staff

The Treasurer and Finance Department staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. The preparation of confirmations will be the combined responsibility of both the auditor and the District. In addition, a reasonable amount of clerical support will be made available to the auditor for the preparation of routine letters and memoranda.

B. Work Area, Telephones, Photocopying, FAX Machines, and Wireless Internet

The District will provide the auditor with reasonable work space, desks and chairs. The auditor will also be provided with access to a telephone line, photocopying facilities, FAX machines, and wireless internet as necessary. Should the auditor prefer to work remotely, video and telephone conferencing may be utilized with District staff.

C. Report Preparation

Report preparation, editing and printing shall be the responsibility of the auditor. Such printing shall consist of ten bound copies, two unbound copies, and a digital PDF copy.

VI. PROPOSAL REQUIREMENTS

A. General Requirements

1. Upon request, representatives of the various departments within the District will be available to discuss their operations and conduct on-site inspections for interested proposers.

2. Inquiries

Inquiries concerning the RFP and the subject of the RFP must be made to:

Brett Goodlin, Treasurer
Paradise Irrigation District
6332 Clark Road
Paradise, CA 95969-4146
(530) 876-2046 or bgoodlin@paradiseirrigation.com

3. Submission of Proposals

The following material is required to be received by 3:00 p.m. Friday, May 3, 2024 for a proposing firm to be considered:

a. An original Technical Proposal to include the following:

i. Title Page

Title page showing the RFP subject; the firm's name; the name, address and telephone number of the contact person; and the date of the proposal.

ii. 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 time period, a statement why the firm believes itself to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer through June 20, 2024.

iii. Detailed Proposal

The detailed proposal should follow the order set forth in Section VI B of this RFP.

iv. Executed copies of Proposer Guarantees and Proposer Warranties, attached to this request for proposal (Appendix C and Appendix D)

b. The proposer shall submit an original dollar cost bid in a separate sealed envelope marked as follows:

SEALED DOLLAR COST BID
PROPOSAL FOR
PARADISE IRRIGATION DISTRICT
FOR
PROFESSIONAL AUDITING SERVICES
June 30, 2024, 2025, & 2026

- c. Proposers should send the completed proposal consisting of the two separate envelopes to the following address:

Brett Goodlin, Treasurer
Paradise Irrigation District
6332 Clark Road
Paradise, CA 95969-4146
(530) 876-2046 or bgoodlin@paradiseirrigation.com

B. Technical Proposal

1. General Requirements

The purpose of the Technical Proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the District in conformity with the requirements of this RFP. As such, the substance of proposals will carry more weight than their form or manner of presentation. The Technical Proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the RFP requirements.

THERE SHOULD BE NO DOLLAR UNITS OR TOTAL COSTS INCLUDED IN THE TECHNICAL PROPOSAL DOCUMENT.

The Technical Proposal should address all the points outlined in the RFP **(excluding any cost information which should only be included in the sealed dollar cost bid)**. The Proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals. **While additional data may be presented, the following subjects, items No. 2 through 9, must be included.** They represent the criteria against which the proposal will be evaluated.

2. Independence

The firm should provide an affirmative statement that is independent of the District as defined by auditing standards generally accepted in the United States of America, the State Controller's Minimum Audit Requirements for California Special Districts and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United

States.

3. License to Practice in the State of California.

An affirmative statement should be included that the firm and all assigned key professional staff are properly licensed or registered to practice in the State of California.

4. Firm Qualifications and Experience

The proposer should state the size of the firm, the size of the firm's audit staff, listing of water entities audited and/or special district audited, 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 on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

The firm is also required to submit a copy of the report on its most recent external quality control review (peer review), with a statement whether that quality control review included a review of specific government engagements.

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition, the firm 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.

5. Partner, Supervisory and Staff Qualifications and Experience

Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement. Indicate whether each such person is registered or licensed to practice as a certified public accountant in the State of California. Provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

Provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. Indicate how the quality of staff over the term of the agreement will be assured.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the

express prior written permission of the District. However, in either case, the District retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

6. Prior Engagements with the Paradise Irrigation District

List separately all engagements within the last five years, for the District by type of engagement.

7. 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 - 5) performed in the last five years that are similar to the engagement described in this request for proposal. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

8. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this request for proposal.

Proposers will be required to provide the following information on their audit approach:

- a. Proposed segmentation of the engagement
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement
- c. Sample size and the extent to which statistical sampling is to be used in the engagement
- d. Type and extent of analytical procedures to be used in the engagement
- e. Approach to be taken to gain and document an understanding of the District's internal control structure
- f. Approach to be taken to ascertain any fraudulent activities within the District's structure
- g. Approach to be taken in determining laws and regulations that will be

subject to audit test work

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

9. 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 any special assistance that will be requested from the District.

C. Sealed Dollar Cost Bid

1. Total All-Inclusive Maximum Price

The sealed dollar cost bid should contain all pricing information relative to performing the audit engagement as described in this request for proposal for each of three fiscal years. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses.

The District will not be responsible for expenses incurred in preparing and submitting the technical proposal or the sealed dollar cost bid. Such costs should not be included in the proposal.

The first page of the sealed dollar cost bid should include the following information:

- a. Name of Firm
- b. Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with the District.
- c. A summary of the Total All-Inclusive Maximum Price for each of the fiscal years ending June 30, 2024, 2025, and 2026.

2. Rates by Partner, Manager, Specialist, Supervisory and Staff Level Times Hours Anticipated for Each

The second page of the sealed dollar cost bid should include a schedule of professional fees and expenses, presented in the format provided in the attachment (Appendix E) that supports the total all-inclusive maximum price.

3. Out-of-pocket Expenses Included in the Total All-inclusive Maximum Price and Reimbursement Rates

All estimated out-of-pocket expenses to be reimbursed should be presented on the second page of the sealed dollar cost bid in the format provided in the attachment (Appendix E). All expense reimbursements will be charged against the total all-inclusive maximum price submitted by the firm.

4. Rates for Additional Professional Services

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

5. Manner of Payment

Two progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's dollar cost bid proposal. Interim billing shall cover a period of not less than a calendar month. The final payment (a minimum of thirty percent (30%)) of the total contract will be made within thirty (30) days after presentation of the firm's final reports to the Board of Directors.

VII. EVALUATION PROCEDURES

A. A Review of Proposals

The District will use a point formula during the review process to score proposals by each of the criteria described in Section VII.B. During this process, firms with an unacceptably low technical score will be eliminated from further consideration.

After the technical score for each firm has been established, the sealed dollar cost bid will be opened and additional points will be added to the technical score based on the price bid. The maximum score for price is normally assigned to the firm offering the lowest, most reasonable, total all-inclusive maximum price. Appropriate fractional scores will be assigned to other proposers.

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

B. Evaluation Criteria

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated and scored for both technical qualifications

and price. The following represent the principal selection criteria that will be considered during the evaluation process.

1. Mandatory Elements

- a. The audit firm is independent and licensed to practice in the State of California
- b. The firm has no conflict of interest with regard to any other work performed by the firm for the District
- c. The firm adheres to the instructions in this RFP for preparing and submitting the proposal
- d. The firm submits a copy of its last external quality control review report (peer review) and the firm has a record of quality audit work
- e. The firm has recently audited a minimum of three existing water entities acceptable to the District

2. Technical Quality: (Maximum Points - 60)

a. Expertise and Experience

- (1) The firm's past experience and performance on comparable government engagements
- (2) The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation

b. Audit Approach

- (1) Adequacy of proposed staffing plan for various segments of the engagement
- (2) Adequacy of sampling techniques
- (3) Adequacy of analytical procedures

3. Price: (Maximum Points - 40)

COST WILL NOT BE THE PRIMARY FACTOR IN THE SELECTION OF AN AUDIT FIRM

C. Oral Presentations

During the evaluation process, the District may, at its discretion, request any one or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the District or its Finance Committee members may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

D. Final Selection

The Paradise Irrigation District Board of Directors will select a firm based upon the recommendation of the District staff and Finance Committee.

It is anticipated the selection of a firm will be completed by May 15, 2024. Following the notification of the selected firm, it is expected a contract will be executed between both parties by May 31, 2024.

E. Right to Reject Proposals

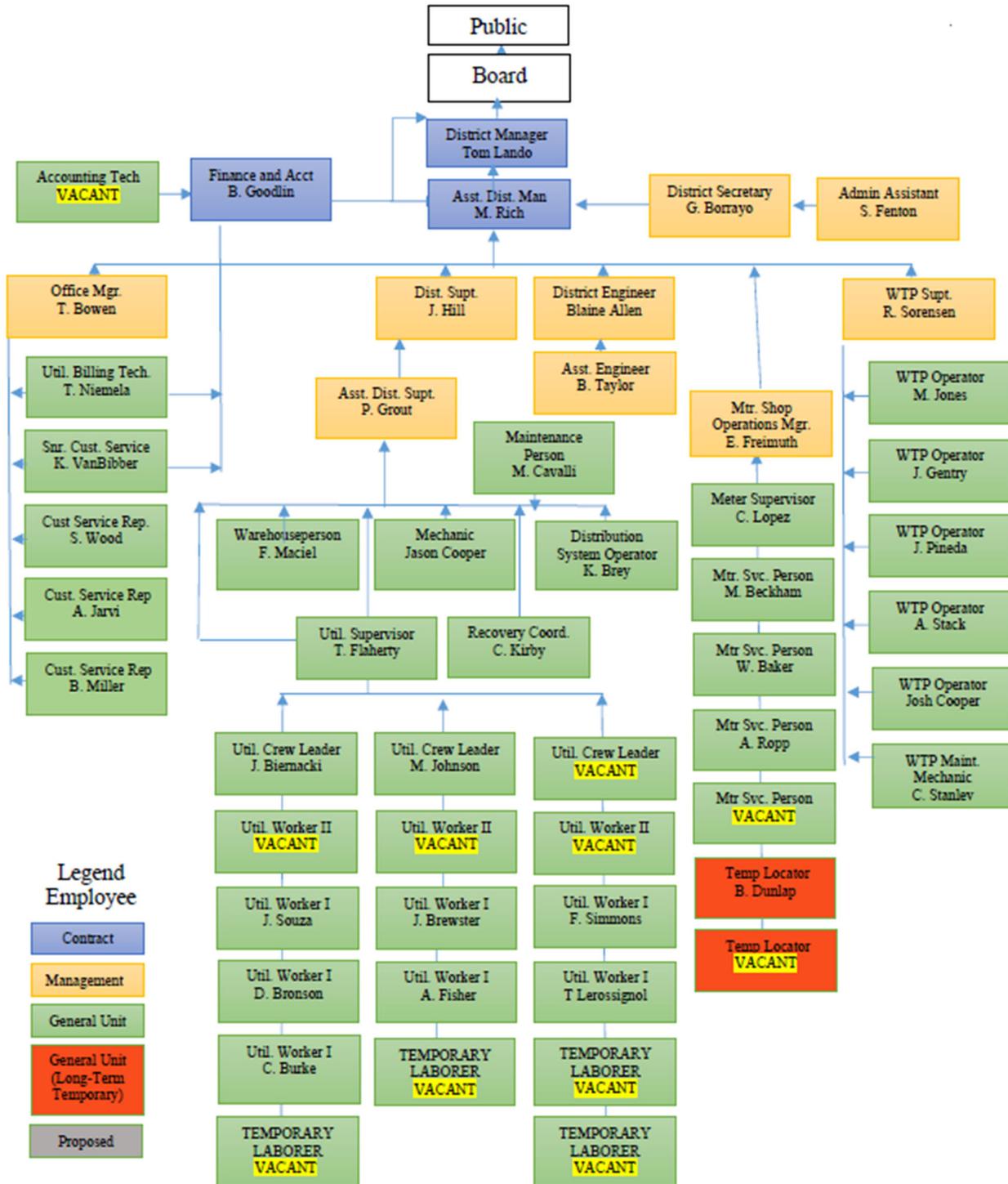
Submission of a proposal indicates acceptance by the firm of the conditions contained in this RFP unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the District and the firm selected.

The Paradise Irrigation District reserves the right without prejudice to reject any or all proposals.

APPENDICES

- A. Organizational Chart
- B. List of Key Officials, Office Locations and Telephone Numbers
- C. Proposer Guarantees
- D. Proposer Warranties
- E. Schedule of Professional Fees and Expenses to Support the Total All-inclusive Maximum Price
 - E-1 2023-2024
 - E-2 2024-2025
 - E-3 2025-2026
- F. Sample Agreement

APPENDIX A



Legend Employee

- Contract
- Management
- General Unit
- General Unit (Long-Term Temporary)
- Proposed

APPENDIX B

LIST OF KEY PERSONNEL, OFFICE LOCATIONS AND TELEPHONE NUMBERS

<u>Name and Title</u>	<u>Location of Office</u>	<u>Telephone</u>
Tom Lando, District Manager	District Office	(530) 877-4971
Mickey Rich Assistant District Manager	District Office	(530) 877-4971
Brett Goodlin Finance and Accounting Manager	District Office	(530) 877-4971
Bob Matthews, Finance Committee Chair	District Office	(530) 877-4971
Georgeanna Borrayo, District Secretary	District Office	(530) 877-4971
Jeff Hill, Field Superintendent	Corporation Yard	(530) 876-1910
Rebekah Sorensen, Water Treatment Plant Superintendent	Water Treatment Plant	(530) 877-3554
Emily LaMoe, Attorney	Minasian Law Firm P.O. Box 1679 Oroville, CA 95965	(530) 533-2885

APPENDIX C

PROPOSER GUARANTEES

- I. The proposer certifies it can and will provide and make available, as a minimum, all services set forth in Section II, Nature of Services Required.
- II. The proposer has read Appendix F, Contractual Requirements, and agrees that the rights and prerogatives as detailed in that appendix are retained by the Paradise Irrigation District.
- III. The proposer agrees to be bound by the contractual requirements delineated in Appendix F.

Signature of Official: _____

Name (typed): _____

Title: _____

Firm: _____

Date: _____

APPENDIX D

PROPOSER WARRANTIES

- A. Proposer warrants that it is willing and able to comply with State of California laws.
- B. Proposer warrants that it is willing and able to obtain standard insurance coverage, acceptable to the District, for professional liability errors and omissions insurance, general liability insurance, and automobile liability insurance. This policy(s) shall provide a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof.
- C. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of the Paradise Irrigation District.
- D. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official: _____

Name (typed): _____

Title: _____

Firm: _____

Date: _____

APPENDIX E

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SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

FOR THE AUDIT OF THE 2023-2024 FISCAL YEAR FINANCIAL STATEMENTS

	<u>Hours</u>	<u>Standard Hourly Rates</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partners	_____	_____	_____	_____
Managers	_____	_____	_____	_____
Supervisory staff	_____	_____	_____	_____
Other (specify):	_____	_____	_____	_____
Subtotal				_____
Total for services Described in Section II E of the RFP (Detail on subsequent pages)				_____
Out-of-pocket expenses:				_____
Meals and lodging				_____
Transportation				_____
Other (Specify): _____				_____
Total all-inclusive maximum price for 2023-2024 fiscal year audit				_____

Note: The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.

APPENDIX E

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SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

FOR THE AUDIT OF THE 2024-2025 FISCAL YEAR FINANCIAL STATEMENTS

	<u>Hours</u>	<u>Standard Hourly Rates</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partners	_____	_____	_____	_____
Managers	_____	_____	_____	_____
Supervisory staff	_____	_____	_____	_____
Other (specify):	_____	_____	_____	_____
Subtotal				_____
Total for services Described in Section II E of the RFP (Detail on subsequent pages)				_____
Out-of-pocket expenses:				_____
Meals and lodging				_____
Transportation				_____
Other (Specify): _____				_____
Total all-inclusive maximum price for 2024-2025 fiscal year audit				_____

Note: The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.

APPENDIX E

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SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

FOR THE AUDIT OF THE 2025-2026 FISCAL YEAR FINANCIAL STATEMENTS

	<u>Hours</u>	<u>Standard Hourly Rates</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partners	_____	_____	_____	_____
Managers	_____	_____	_____	_____
Supervisory staff	_____	_____	_____	_____
Other (specify):	_____	_____	_____	_____
Subtotal				_____
Total for services Described in Section II E of the RFP (Detail on subsequent pages)				_____
Out-of-pocket expenses:				_____
Meals and lodging				_____
Transportation				_____
Other (Specify): _____				_____
Total all-inclusive maximum price for 2025-2026 fiscal year audit				_____

Note: The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.

APPENDIX F

SAMPLE AGREEMENT

(To be review by Legal Counsel)

THIS AGREEMENT is made and entered into this _____ day of May 2024 by and between Paradise Irrigation District (District), and _____ (Auditor).

WITNESSETH:

District desires to retain the services of Auditor regarding the Annual Audit of its financial statements for the fiscal years ending June 30, 2024, June 30, 2025, and June 30, 2026.

Auditor desires to perform the services requested by District regarding the audits on the terms and conditions set forth below.

NOW, THEREFORE, the parties agree as follows:

1. DESCRIPTION OF WORK

The Auditor shall be responsible for the scope of work described below and in Exhibit "A" "Request for Proposals for Audit Services" and Auditor's proposal dated _____, 2024, attached hereto and incorporated by reference herein. In the event of a conflict between the terms of this Agreement and the terms of the proposal, the terms of this Agreement shall prevail.

2. COMPENSATION

- A. The compensation for service provided by Auditor for preparation of the District's Annual Audits shall be as described in Exhibit "A" "Request for Proposals for Audit Services" and Appendix E-1, E-2 and E-3 in the Auditor's proposal dated _____, 2024, attached hereto. A three-year contract is contemplated, subject to the annual review and recommendation of the Finance Committee, the satisfactory negotiation of additional terms (including a price acceptable to both the District and the selected Auditor), the concurrence of the District's Board of Directors and the annual availability of an appropriation.
- B. Auditor's fees and expenses shall be payable as set forth in Exhibit "A" and Exhibits E-1, E-2 and E-3. Further, two progress payments will be made each year on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's dollar cost bid proposal. Interim billing shall cover a period of not less than a calendar month. The final payment each year (a minimum of thirty percent [30 %]) of the total contract for the Audit engagement) will be made within thirty (30) days after presentation of the firm's annual final report to the Board of Directors.

3. TERM AND TIME FOR COMPLETION

This Agreement shall become effective on the date first herein above written and shall be for a period of three years unless either party terminates as provided in paragraph 8.

4. COMPLIANCE WITH LAWS

Auditor agrees that it shall conduct its work and perform its services in compliance with all applicable federal, state and local laws, regulations and ordinances, and generally accepted accounting practices including applicable GASB standards.

5. ENGAGEMENT LETTER

Auditor agrees that a standard Engagement Letter shall be executed each year confirming the understanding of the services to be provided for the respective fiscal year.

6. INSURANCE AND INDEMNIFICATION

Auditor agrees with the District that:

- A. When the law establishes a professional standard of care for the Auditor's services, to the fullest extent permitted by law, Auditor will defend, indemnify and hold harmless the District, its directors, officers, or employees from all claims and demands of all persons arising out of the performance (or actual non-performance) of the work under this Agreement, for damages to persons or property due to the extent caused by the negligent acts, errors, omissions or willful misconduct committed by Auditor. Auditor shall defend itself against any and all liabilities, claims, damages, and costs arising out of Auditor's performance or non-performance of the work hereunder, and shall not tender such claims to the District nor to its directors, officers or employees, for defense or indemnity.
- B. Other than in the performance of professional services, to the fullest extent permitted by law, Auditor will defend, indemnify and hold harmless the District, its directors, offices, or employees from all claims and demands of all persons arising out of the performance of the work or furnishing of materials by Auditor; including but not limited to, claims by the Auditor's employees for damages to persons or property except for sole negligence or willful misconduct or active negligence of the District, its directors, officers, or employees.
- C. By his/her signature hereunder, Auditor certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employers to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and that Auditor will comply with such provisions before commencing the performance of the professional services under this Agreement. Auditor will keep workers' compensation insurance for their employees in effect during all work covered by this Agreement.
- D. Auditor will file with the District, before beginning professional services, a certificate of insurance satisfactory to the District evidencing professional liability coverage of not less than \$1,000,000 per claim and annual aggregate, requiring 30 days notice of cancellation (10 days for the non- payment of premium) to the District. Any insurance, self-insurance or other coverage maintained by the District, its directors, officers, or employees shall not contribute to it. Coverage is to be placed with a carrier with an A.M. Best rating of no less than A-VII, or equivalent, or as otherwise approved by the District. The retroactive date (if any) is to be no later than the effective date of the Agreement. In the event that the Auditor employs other sub-personnel as part of the work covered by this Agreement, it shall be the Auditor's sole responsibility to require and confirm that each sub-personnel meets the minimum insurance requirements specified above.
- E. Auditor will file with the District, before beginning professional services, certificates of insurance satisfactory to the District evidencing general liability coverage of not less than \$1,000,000 per occurrence (\$2,000,000 general and products-completed operations aggregate (if used) for bodily injury, personal injury and property damage; auto liability of at least \$1,000,000 for bodily injury and property damage each accident limit; workers' compensation (statutory limits) and employer's liability \$1,000,000) (if applicable); requiring 30 days (10 days for non-payment of premium) notice of cancellation to the District. Any insurance, self-insurance or other coverage maintained by the District, its directors, officers, or employees shall not contribute to it. The general liability coverage shall give the District, its directors, officers, and employees additional insured status using ISO endorsement CG2010, CG2033, or equivalent. Coverage is to be placed with a carrier with an A.M. Best rating of no less than A-VII, or equivalent, or otherwise approved by the District. In the event that the Auditor employs other sub-personnel as part of the work covered by this Agreement, it shall be the Auditor's sole

responsibility to require and confirm that each sub-personnel meets the minimum insurance requirements specified above.

- F. If any of the required coverage expire during the term of this Agreement, the Auditor shall deliver the renewal certificate(s) including the general liability additional insured endorsement to the District at least ten (10) days prior to the expiration date.

7. TERMINATION

This Agreement may be terminated at any time and for any reason by either party upon thirty (30) days' advance written notice. In the event of such termination, Auditor is to be fairly compensated for all work performed to the date of termination as calculated by PID based on Paragraph 2 hereof, provided that such compensation shall not in any case exceed the maximum sum set forth in Paragraph 2 hereof. Compensation under this paragraph shall not include costs related to lost profit associated with the expected completion of the work or other such payments relating to the benefit of the bargain.

8. ENTIRE AGREEMENT

This writing constitutes the entire Agreement between the parties relative to the services specified herein, and no modifications hereof shall be effective unless and until such modification is evidenced by a writing signed by both parties to this Agreement.

There are no understandings, agreements, conditions, representations, warranties or promises with respect to the subject matter of this Agreement except those contained in or referred to in this writing.

9. INDEPENDENT CONTRACTOR

It is expressly understood and agreed by the parties hereto that Auditor's relationship to PID is that of an independent contractor. All persons hired by Auditor and performing the work shall be Auditor's employees or agents. PID shall not be obligated in any way to pay any wages or other claims by any such employees or agents or any other person by reason of this Agreement. Auditor shall be solely liable to such employees and agents for losses, costs, damage or injuries by said employees or agents during the course of the work.

10. SUCCESSORS AND ASSIGNMENT

This Agreement shall be binding on the heirs, successors, executors, administrator and assigns of the parties; however, Auditor agrees that it will not assign, transfer, convey or otherwise dispose of this Agreement or any part thereof, or its rights, title or interest therein, or its power to execute the same without the prior written consent of PID.

11. SEVERABILITY

If any provision of this Agreement is held to be unenforceable, the remainder of this Agreement shall be severable and not affected thereby.

12. WAIVER OF RIGHTS

Any waiver at any time by either party hereto of its rights with respect to a breach or default, or any other matter arising in connection with this Agreement, shall not be deemed to be a waiver with respect to any other breach, default or matter.

13. REMEDIES NOT EXCLUSIVE

The use by either party of any remedy specified herein for the enforcement of this Agreement is not exclusive and shall not deprive the party using such remedy of, or limit the application of any other remedy provided by law.

14. NOTICES

All notices, statements, reports, approvals or requests or other communications that are required either expressly or by implication to be given by either party to the other under this Agreement shall be in writing and signed for each party by such officers as each may, from time to time, authorize in writing to so act. All such notices shall be deemed to have been received on the date of delivery if delivered personally or three (3) days after mailing if enclosed in a properly addressed and stamped envelope and deposited in the U.S. post office for delivery. Unless and until formally notified otherwise, all notices shall be addressed to the parties at their addresses shown below:

Paradise Irrigation District
Attn: District Manager
6332 Clark Road
Paradise, CA 95969-4146

Auditor

15. SUB-PERSONNEL

No subcontract shall be awarded or an outside Auditor engaged by Auditor unless prior written approval is obtained from PID.

16. ATTORNEY'S FEES

If any action arising out of this Agreement is brought by either party hereto against the other, then and in that event the unsuccessful party to such action shall pay to the prevailing party all costs and expenses, including reasonable attorneys' fees, incurred by such prevailing party, and if the prevailing party shall recover judgment in such action, such costs, expenses and attorneys' fees shall be included in and as part of such judgment.

IN WITNESS WHEREOF the parties execute this Agreement on the day and year first herein above written.

AUDITOR

PARADISE IRRIGATION DISTRICT

Principal

Brett Goodlin, Treasurer

ATTEST:

District Secretary

Attachment: Exhibit A - Request for Proposal and Auditor's Proposal and Fee Schedule