



West Valley City
2022-2023 Annual Financial Audit
Request for Proposal

West Valley City
3600 South Constitution Boulevard
West Valley City, Utah 84119

I. Summary

West Valley City is seeking proposals from qualified independent auditing firms for the City's annual 2022-2023 financial audit. These proposals should include three additional audit engagements:

1. West Valley Arts – which includes the West Valley Arts Foundation and 2 City Funds
2. Campbell Court Apartment Complex
3. Report on Financial Data Schedules as required by the Department of Housing and Urban Development

Questions regarding the request for proposals should be directed to Nic Hales, Chief Accountant, at 801-963-3507 or nhales@wvc-ut.gov.

II. Submission Requirements

- Proposal must be returned no later than 10:00 A.M., Thursday, March 9, 2023 to the West Valley City Recorder's Office. Proposals may be submitted electronically in PDF format to nichole.camac@wvc-ut.gov. If you choose to submit hard copies, three sealed copies of your proposal must be submitted to Nichole Camac at 3600 Constitution Blvd., West Valley City, UT 84119.
- Proposal shall reflect the best and most current information and offers.
- The City reserves the right to negotiate with responders prior to entering into an agreement with the appropriate responder.
- Proposals received after the deadline will not be considered and will be returned unopened.

All proposals must be signed by an authorized representative of the responder. The signature on the proposal signifies the responder's intent to comply with the terms, specifications, and conditions set forth in this request, unless specific exceptions are explicitly noted on the face of the proposal. West Valley City reserves the right to reject any or all proposals, to waive any informality or technicality in the City's sole discretion, or to accept any proposal deemed to be in the best interests of the City. If it becomes necessary to revise the RFP in whole or in part, an addendum will be provided to all responders on record who received the original RFP.

III. Intent of Request for Proposal

The intent of this Request for Proposal is to generally set forth the minimum acceptable requirements for the proposals to be submitted herein. It is the intent of West Valley City to choose a proposal based on compliance with the terms of this request. West Valley City may choose all, part, or none of the proposals. The successful responder shall enter into a contract with the City.

IV. **Description of Services and/or Products Required**

All proposals are to explain how the proposal provides each of these products. Please be clear and concise in explaining how your proposal meets these requirements.

1. **INTRODUCTION**

West Valley City has a policy to publicly announce all requirements for independent auditing services. West Valley City has the following funds:

1. General Fund

- i. Justice Court
- ii. Workers Compensation Fund

b) C-Roads Fund

c) Capital Projects Fund

d) Special Revenue Funds:

- i. Fitness Center Fund*
- ii. Redevelopment Agency
- iii. Theatre Fund**
- iv. Building Authority
- v. Arena Operations Fund*
- vi. Sanitation Fund*
- vii. Street Lighting Fund*
- viii. Impact Fees Funds (5 funds)
- ix. Utah Cultural Celebration Center Fund**
- x. West Valley Arts Foundation Fund***
- xi. Grants Fund

e) Enterprise Funds:

- i. Housing Authority
 - 1. Campbell Court Fund****
- ii. Stormwater Fund
- iii. The Ridge Golf Course
- iv. Stonebridge Golf Course
- v. Ambulance Service Fund

- Funds marked with one asterisk (*) are combined for reporting purposes as part of the Community Services Fund.
- Funds marked with two asterisks (**) are combined for reporting purposes as part of the Community Services Fund and are part of the West Valley Arts Audit.
- The fund marked with three asterisks (***) is combined for reporting purposes as part of the West Valley Arts Audit.
- The fund marked with four asterisks (****) is used to consolidate the information from Jared Alan Campbell Court Apartments which is operated on a calendar year basis.

A total of 25 funds are reported in the City's Annual Comprehensive Financial Report (ACFR). The C-Roads Fund is included in General Fund for reporting purposes but kept in a separate fund for internal purposes. The Justice Court is also included in the General Fund. Of the 19 governmental funds, six (General Fund, Redevelopment Agency Fund, Community Services Fund, Capital Project Fund, Building Authority, and Grants Funds) are currently considered major funds for reporting purposes. Of the six enterprise funds, two (Combined Golf Courses, and Stormwater Funds) are currently reported as major funds.

Additionally, as part of the operating agreement between the City and the management group contracted to operate the Arena (Maverik Center), the auditors are expected to review the management group's operating records.

The City currently has approximately \$483,625,435 in fixed assets including infrastructure reported using the modified (non-depreciation) method under GASB 34. The City has \$185,002,802 in long-term debt, composed of ~35 long-term bonds and lease financing arrangements to be audited.

The City shall negotiate a contract for auditing services based on demonstrated competence, qualifications and fair and reasonable costs for the services rendered.

2. PROVIDER INFORMATION REQUIRED

a) General Information.

- i. Name, address, and phone number of the firm.
- ii. Business organization type (Corporation, Partnership, Individual) and name of principal partner.
- iii. Size of the firm, personnel, licenses held, educational background.
- iv. List number and qualifications of accountants and other technical staff who would be assigned to the City's annual audit.
- v. List geographical area served and units of governmental or public agency experience.
 1. Experience (Utah, Colorado, etc.; water districts, cities, counties, etc.) List agencies which may be contacted for reference.
 2. List governmental audit experience with agencies of similar size and complexity as West Valley City and Cities of the 1st class as defined Utah Code § 10-2-301.
- vi. List specific governmental audit experience (general fund, special revenue funds, etc.) including the number of municipal audits performed, and a description of the complexity of those audits.
- vii. State willingness to perform some portions of audit during the year rather than at end of year (June 30th).
- viii. Provide copy of one recent (last 12 months) government unit audit.
- ix. Provide a copy of the firm's most recent peer review [as suggested by the Office of the Utah State Auditor].
- x. Please provide any other information your firm feels may assist in selection of your company to conduct the annual West Valley City audits.
- xi. Please indicate for the first audit year how many approximate total hours you anticipate will be necessary to perform the services requested, with a total "not to exceed" dollar amount you would anticipate billing. If you feel it would be informative, you may provide further detailed billing information describing, whether by function or by person, the makeup of the total billing amount. Please also indicate a composite hourly rate you would charge for "additional" services. The average "not to exceed" amount

(Considering the full contract term) will be used as the primary selection criteria for price comparisons.

3. AUDIT REQUIREMENTS

a) Individual Requirements.

- i. City audit project shall be supervised by a CPA licensed in the State of Utah.
- ii. Have varied experience with Governmental Accounting with special emphasis on Governmental and Non-Profit Program Auditing and Federal Grants.
- iii. Be willing to complete the audit and financial statement issuance in accordance with regulatory and compliance requirements. A financial penalty will be considered against the auditing firm should this deadline not be met.
- iv. Be willing to perform audit for at least three years in sequence.
- v. The financial section of the City's ACFR, including Management's Discussion and Analysis (MD&A) is currently prepared by the City's auditors and provided to the City for publication. Separate proposals are requested showing the proposed cost to audit including financial section preparation and excluding financial section preparation.

b) Performance Requirements.

- i. The City's independent auditor shall perform a financial audit on the financial statements of the City prepared by City staff and render an opinion on those statements' accuracy and conformance to generally accepted accounting principles as set forth in item B(3) below. In addition, upon request of the City and if conditions warrant it, the auditor shall perform a full scope audit on any fund, program or activity of the City and render an opinion on the particular entity's economy, efficiency, and effectiveness in achieving its goals and properly carrying out its designed functions.
- ii. West Valley City's annual audit shall be made in compliance with the auditing standards generally accepted in the United States; and single audit requirements described in Subpart F—Audit Requirements of Title 2 of C.F.R., Chapter II, Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR part 200), including any updates to such standards.
- iii. West Valley City's annual audit shall be performed and the auditor's report shall be rendered in conformity with Title 51 of the Utah Code, and in accordance with the State of Utah Uniform Accounting Manual for Utah Cities (Revised 2022), and finally in conformance with standards promulgated by the Government Auditing Standards Board, statements and interpretations of the current GFOA Governmental Accounting, Auditing, and Financial Reporting Guide. Any further statements or principles issued by the American Institute of Certified Public Accountants which are applicable shall also be adhered to.

- iv. In performing the City's audit, State of Utah Uniform Accounting Manual shall be followed. In addition to the numerous requirements contained therein, each operational area of the City which administers financial record keeping in any way shall also be reviewed for evidence of fraud or dishonesty in its fiscal operations.
- v. The auditor shall directly answer all requests for information from the City Manager, Finance Director, the Chief Accountant, or any of their designees working on the audit or related matters. In addition, the auditor shall, until the expiration of three years after final acceptance of the audit by the City, give duly authorized representatives of West Valley City access to and the right to examine any notes, working papers, statements and other documentation prepared in connection with the audit's actual performance.
- vi. The selected audit firm will be available for consultation throughout the fiscal year.
- vii. At the option of the Finance Director or his designee, the City's auditors shall review a copy of the intended audit program prior to the audit's actual commencement. Prior to issuance of any type of written reports, the auditor shall conduct an exit conference with the Finance Director and/or his designated representatives to review the initial findings of the audit team. Prior to issuance of the final written audit report, the auditor shall meet with the City Manager and the Finance Director to review its contents.
- viii. The auditor shall compile the financial statements of the city in preparation for issuance of an Annual Comprehensive Financial Report (ACFR).
- ix. The actual audit report shall be so organized to consist of at least the following items:
 - 1. Title page listing name of City, "Report of Audit Examination," and dates of fiscal period covered by the audit.
 - 2. Table of contents page setting forth the title and sequential page number location of all major sections, tables and statements.
 - 3. Letter of Scope and Summary Observations shall be addressed to the Mayor and City Council and shall state the scope of the audit examination, the time period covered, the methods and standards used in conducting the audit, any limitations on the audit and a summary statement and opinion of the overall findings of the audit.
 - 4. Financial statements, tables, and other required information which may have been prepared by the City accounting staff in advance of the actual audit.

5. Notes to financial statements shall be included immediately following the financial statements section as necessary to provide adequate disclosure and to insure proper understanding of the statements themselves. Short footnotes may be presented at the bottom of the appropriate schedule if that appears more appropriate to the circumstances and purpose of the schedule.
 6. Required Supplementary Information in addition to the notes to financial statements shall be prepared and included as needed to conform to GASB and GFOA reporting requirements.
- x. Auditor's detailed report on the financial statements shall contain the following:
1. A clear-cut indication of the character of the auditor's examination stating whether it was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as the auditor considered necessary in the circumstances.
 2. If the financial statements presented do not purport to show the financial position and results of operations in accordance with generally accepted accounting principles, the auditor shall make sure his report carries a clear representation of what the statements do present and of the basis on which they have been prepared. When a qualified opinion is given, the reason shall be stated. An affirmative statement shall be made concerning compliance with generally accepted accounting principles in areas other than those requiring qualifications.
 3. Observations shall always be in clear, concise, and understandable language. The auditor shall cite the basis for each observation. The reader should be able to determine from the report the conditions criteria and effects of each observation. Where possible, the auditor shall point out the cause of each non-positive observation.
 4. Report material shall be specific, and generalizations shall be avoided. It is especially important that exact citations be given in commenting on possible non-compliance with City accounting, ordinance, or contract provisions and/or applicable regulations. Examples of such non-compliance shall be reviewed with a policy-making official of the City's operating program or department who shall be given an opportunity to discuss the responsible department's reviews.

5. All recommendations on matters of accounting principles and/or reporting which are not specifically required by either City, State or Federal contract provisions, laws and/or applicable regulations shall be made in terms that they be "considered" on the grounds of their practical benefits to the City and these benefits shall be described. The auditor shall support all observations and recommendations with specific details and data in the audit report. Recommendations from prior reports will be carried forward until they are either implemented or withdrawn.
6. A complete set of financial statements must be prepared complying with the Single Audit Requirements set forth in 2 CFR part 200 and the AICPA Audit Guide.
7. Reports shall be provided in an editable electronic format acceptable to the auditor.

4. AUDIT SELECTION PROCESS

a) Finance Director and Audit Committee.

- i. Evaluation of proposed submissions will be based on the professional competence, bid price, and experience of the auditor.
- ii. The auditor selection process shall be made by recommendation from the West Valley City Audit Committee, Finance Director and City Manager to the City Council.

b) Time frame for Audit Contract.

- i. It is West Valley City's policy that the initial contract period for auditing services shall be for one year with two automatic one-year renewals, unless either party gives three months' notice of termination. An agreement shall be executed between the City and the auditor stipulating the service to be performed and the cost of those services. At the end of the initial 3-year agreement, the City, at its option, may extend the agreement with the auditor under the previously described terms.

V. CRITERIA FOR PROPOSAL EVALUATION

Only proposals submitted by responsible responders as defined by the City Code will be considered. Proposals will be evaluated according to the following criteria: technical experience (30%), qualifications of staff and/or firm (30%), detail provided in response to the requirements set forth above (15%), and cost (25%).

VI. GENERAL INFORMATION

The City reserves the right to reject any and all responses to this Request for Proposal. The City reserves the right to waive any requirements set forth in this Request for Proposal.

Response to this Request for Proposal is at the bidder's sole risk and expense. The City anticipates selecting one of the responders, but there is no guarantee that any responder will be selected.

It is the City's policy to encourage equal opportunity in its professional services and contracts. The City endeavors to do business with bidders that share the City's commitment to equal opportunity and will not do business with any bidder that discriminates on the basis of race, religion, color, ancestry, age, gender, sexual orientation, disability, medical condition, or national origin.

The City appreciates in advance the efforts that responders will make and looks forward to participating in the selection process.

A selected responder will be required to enter into an agreement with the City regarding the terms of the services provided.