

## **Request for Qualifications**

### **Statements & Professional Service Fees To Audit The Mattabasset District's**

#### **2024-2025, 2025-2026 & 2026-2027 Financial Statements**

#### **Bid #2025-03**

## I. INTRODUCTION

The Mattabasset District is seeking Qualifications Statements & Professional Services' Fees from certified public accountants to audit its financial statements for fiscal years 2024-2025, 2025-2026 and 2026-2027. Interested Parties are requested to submit their Qualifications Statements along with their Professional Service Fees on the Summary Form attached hereto by April 21, 2025.

It is anticipated the selection of a firm will also be completed no later than May 14, 2025.

There is no expressed or implied obligation for the Mattabasset District to reimburse firms for any expenses incurred in preparing Qualifications Statements & Professional Services' Fees in response to this request.

To be considered, one original and six (6) copies of the Qualifications Statements and one sealed fee proposal must be received at The District's offices at 245 Main Street, Cromwell, CT by 1:00 p.m. on Monday, April 21, 2025. The District reserves the right to reject any or all Qualifications Statements submitted. Qualifications Statements submitted will be evaluated by the Executive Director and members of the Finance Committee.

At the discretion of The District, firms submitting Qualifications Statements may be requested to make oral presentations as part of the evaluation process.

The District reserves the right to retain all Qualifications Statements submitted and to use any ideas in a Qualifications Statements regardless of whether that proposal is selected. Submission of a Qualifications Statements indicates acceptance by the firm of the conditions contained in this request for Qualifications Statements, unless clearly and specifically noted in the Qualifications Statements submitted and confirmed in the contract between The District and the firm selected.

It is anticipated the selection of a firm will be completed no later than May 14, 2025. Following the notification of the selected firm, it is expected that an engagement letter will be executed between both parties within thirty (30) days of approval.

## II. TERMS OF ENGAGEMENT

**Contract Period** – The agreement shall be for a three-year period and shall become effective immediately upon execution by all parties with implementation of all specified services to take place for the audit of the fiscal year ending June 30, 2025. The contract entered into between The District and the firm shall extend for a term through and including the audit for fiscal year ending June 30, 2027. The agreement may be extended at the discretion of the Finance Committee.

**Compensation** – Compensation for services shall be a fixed lump sum total price for each year of the three-year term of the agreement.

#### TERMINATION OF CONTRACT –

**TERMINATION BY OWNER FOR CONVENIENCE** This Contract may be terminated by the District upon written notice to the firm in the event that the District determines that termination is in its best interest. In the event of such a termination, the firm shall be compensated for all work properly performed in accordance with this Contract.

**TERMINATION FOR MATERIAL BREACH** Either party may terminate this Contract upon sixty (60) days written notice if the other Party materially breaches its terms through no fault of the initiating Party. Even after termination, the provisions of this Contract still apply to any Services performed, payments made, or events occurring, costs charged or incurred, or obligations arising before termination date. Should the District find that the provision of auditing services under the terms of the agreement precludes the District from administering its duties in an effective and efficient manner; the District may cancel the agreement upon 60 days written notice to the firm.

**LIMITED MUTUAL WAIVER OF CONSEQUENTIAL DAMAGES** Except for (a) losses covered by insurance required by this Contract, or (b) specific items of damages excluded from this waiver as mutually agreed upon by the Parties and identified below, the District and firm waive claims against each other for consequential damages arising out of or relating to this Contract. This mutual waiver also shall apply to consequential damages due to termination by either Party in accordance with this Contract. The District and firm shall require similar waivers in contracts with consultants and others retained for this Contract.

Upon termination, the firm shall promptly return all work papers and work in progress to the District. The firm shall provide the District at least 60 days prior written notice of its intent to terminate any agreement.

### III. DESCRIPTION OF THE DISTRICT

The Mattabassett District, created in 1961, is a Regional Sewer Authority serving the City of New Britain, the Town of Berlin, the Town of Cromwell, the City of Middletown and MDC. The Mattabassett District's Fiscal Year begins on July 1<sup>st</sup> and ends on June 30<sup>th</sup>.

The Operating Fund budget, an Enterprise Fund, is prepared by the Executive Director, reviewed and approved by the Finance Committee, and then submitted to the Board of Directors for adoption. The Operating Fund expenditures for the year ending June 30, 2024 were \$17,520,984. The Operating Fund is computerized on software provided by QuickBooks Enterprise Solutions.

The Mattabassett District has the power to incur indebtedness by issuing bonds or notes as provided by its Charter and Connecticut General Statutes.

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More detailed information on the District and its finances can be found in:

- ◆ Fiscal Year 2023-2024 & 2024-2025 Budgets
- ◆ Fiscal Year 2022-2023 Audit
- ◆ Fiscal Year 2023-2024 Audit
- ◆ GASB 68 Government Pension Disclosures

#### IV. NATURE OF SERVICES REQUIRED

The Mattabassett District desires the Auditor to audit The District's financial statements in accordance with generally accepted accounting principles, and to express an opinion on the fair presentation of The District's financial statements in conformity with generally accepted accounting principles.

The audit shall consist of, but may not be limited to, the following funds in its financial reporting:

- ◆ Operating Fund (Enterprise Fund)
- ◆ Capital Nonrecurring Fund
- ◆ Construction Fund
- ◆ Single State Audit (DEEP Clean Water Fund)

#### A. Auditing Standards to Be Followed

The audits shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in the U.S. General Accounting Office's Government Auditing Standards (2011), the provisions of the Single Audit Act of 1984, as amended in 1996, and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments, and in conjunction with Sections 4-230 through 4-236 of the Connecticut General Statute regarding the State Single Audit Act.

#### B. Reports to be Issued

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

1. The fair presentation of the financial statements.
2. The internal control structure.
3. Compliance with applicable laws and regulations.

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4. Schedule of federal and state financial assistance.
5. Compliance with specific requirements applicable to federal and state financial assistance programs.
6. Applicable correspondence with federal and state agencies.
7. Management Letter

C. Deficiencies

In the report on internal controls, the Auditor shall communicate any reportable conditions found during the audit to the Executive Director and Finance Committee. 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, and report financial data consistent with the assertions of management in the financial statements. The reports on compliance shall include all instances of noncompliance.

The Auditor shall make an immediate written report of any irregularities and illegal acts or indications of illegal acts of which they become aware to the Executive Director and the Finance Committee.

D. Special Considerations

The schedules of federal financial assistance and state financial assistance and related Auditor's report, as well as the reports on the internal controls, are to be issued as part of the financial statements.

The audit firm shall provide support from time to time, including meetings at the District, on issues that affect the financial conditions of The Mattabassett District. These services shall be included in the audit fee.

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 Mattabassett District of the need to extend the retention period. The Auditor will be required to make working papers available, upon request, at no extra charge, to the following parties or their designees:

- ◆ The Mattabassett District
- ◆ General Accounting Office (GAO)
- ◆ Parties designated by the federal or state governments or by The Mattabassett District as part of an audit quality review process
- ◆ Auditors of entities of which The Mattabassett District is a sub-recipient of grant funds

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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.

- F. The audit firm shall submit a draft audit report by November 1<sup>st</sup>, following the fiscal year being audited. Following review by the Executive Director and Finance Committee, edit the draft audit report and prepare and print up to thirty-five (35) copies of the final audit report as requested.

V. ADDITIONAL INFORMATION

The proposals will be evaluated based on professional and technical experience of the principal auditor, firm, and staff; resources, experience with municipal audits; and responsiveness to this Request for Qualifications and Professional Service Fees, etc.

Firms submitting Qualifications Statements must be qualified to perform independent audits of municipalities of the State of Connecticut.

The auditor must have an office located within the State of Connecticut, and resident staff must be able to offer the full range of auditing services required by this Request for Qualifications Statements.

Supervisory members of the audit team, including the "in charge" field auditor, should be Certified Public Accountants and have a minimum of two (2) years of municipal audit experience in the State of Connecticut. The District intends to strongly consider municipal audit experience and certification in evaluating the proposer's audit team. It is the District's desire to maintain a consistently qualified team during the term of the engagement.

The Mattabassett District reserves the right to reject any or all proposals, to accept any proposal deemed most favorable to The Mattabassett District, and to negotiate with any party to obtain a contract to serve the best interests of The Mattabassett District.

Proposers must acquaint themselves with the current financial records available at the District in order that there will be no misunderstanding.

Proposer warrants that it is willing and able to obtain insurance coverages, as follows:

- A. Workers Compensation – Coverage will be in accordance with State of Connecticut requirements at the time of bid.
- B. General Liability – a minimum limit of liability per occurrence of \$1,000,000 combined single limit. This insurance shall indicate on the certificate of insurance the following coverages and indicate the policy aggregate limit applying to premises and operations; broad form contractual; independent auditors and subcontractors; products and completed operations.
- C. Automobile Liability – insurance with a minimum limit of liability per occurrence of \$1,000,000 combined single limit. This insurance shall cover any automobile for bodily injury and property damage.

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- D. Professional Liability – insurance with a minimum limit of \$1,000,000 per claim and policy aggregate, to include errors and omissions coverage providing \$1,000,000 of coverage for the willful or negligent acts, or omissions of any officers, employees or agents in conjunction with the services to be provided. Coverage limits shall be \$1,000,000 or more, per occurrences without reduction for claims paid during the policy period.
- E. Umbrella/Excess Liability – insurance with a minimum limit of liability per occurrence \$1,000,000 and aggregate of \$1,000,000.
- F. Cyber Liability – insurance with a minimum limit of liability per occurrence of \$1,000,000.

Verification of Coverage - The Auditor shall furnish the Mattabassett District with certificates of insurance effecting Commercial General Liability coverage required by this clause naming the District as additionally insured. The certificates and endorsements for each insurance policy is to be signed by a person authorized by the insurer to bind coverage on its behalf. The certificates and endorsements are to be received and approved by the Executive Director before work commences. Renewal of expiring certificates shall be filed thirty (30) days prior to expiration. The District reserves the right to require complete, certified copies of all required policies, at any time.

The Auditor is required to make good faith efforts to comply with all federal and state laws and policies which speak to equal employment opportunity.

#### VI. ASSISTANCE TO BE PROVIDED TO THE AUDIT

The Executive Director, Administrative & Finance Manager, and office staff will be available during the audit to assist the firm by providing information, documentation, and explanations. The preparation of confirmations will be the responsibility of the Auditor.

The Mattabassett District will provide the Auditor with reasonable workspace, desk, and chairs. The Auditor will also be provided with access to a telephone, photocopying facilities, scanner, FAX machine, as well as internet access during the engagement. The auditor will be required to provide computer equipment and other office materials.

Inquiries concerning the Request for Qualifications and Professional Service Fees must be made in writing no later than 3 p.m. on April 14, 2025 to:

Arthur G. Simonian, P.E., LEED®  
Executive Director  
The Mattabassett District  
245 Main Street  
Cromwell, CT 06416  
(860) 635-5550

## VII. PROPOSAL REQUIREMENTS

### A. The Qualifications Statement should contain the following:

1. Date, name, address, and telephone number of the audit firm along with the names of the person responsible for the Qualifications Statement and the principal auditor. The principal auditor may be changed only with the express prior written permission of The Mattabasset District.
2. For the principal auditor who 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. These engagements should include a contact name and phone number.
3. Briefly state your understanding of the work to be done, the firms' commitment to perform the work within the time period, and a statement as to why the firm believes itself to be best qualified to perform the engagement.
4. State the size of the firm, the size of the firm's governmental audit staff, and the location of the office from which the work on this engagement is to be performed.
5. Identify the level and years of experience of the staff, which will be assigned to the audit. An affirmative statement should be included that the firm and all assigned key professional staff are properly registered/licensed to practice in Connecticut.
6. Provide a list of Connecticut towns and cities that the firm is currently auditing and/or has audited recently.
7. Disclose whether you are involved as a defendant in any pending litigation; are you or your firm the subject of any pending or threatened government investigation; are you or your firm subject to any disciplinary action?
8. Knowledge of and experience with GASB 34 and GASB 68.
9. Briefly describe the various types of accounting and management services provided by the firm.

### B. The Professional Services Fee shall include all direct and indirect costs and all out-of-pocket expenses.

### C. Provide one original and six copies of your Qualifications Statement, in an envelope marked "AUDIT Qualifications Statement for The Mattabasset District – Bid #2025-03", and one copy of the Sealed Dollar Cost Proposal in an envelope marked "Audit FEE for Audit 24-25, 25-26, 26-27 – Bid #2025-03 for Mattabasset District".

## VIII. 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:

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Request for proposal issued	March 31, 2025
Last date for questions/inquiries	April 14, 2025
Due date for proposals	April 21, 2025 @ 1:00 p.m.
Oral presentation by selected firms (if requested)	early May 2025
Appointment by District	on or before June 1, 2025
Contract date	within 30 days of appointment

**B. Schedule for the Annual Audit**

An entrance conference will be held between the Executive Director and the auditor as soon as possible after selection and contract completion to arrange time to commence preliminary and year end field work.

The District and auditor will work together to ensure completion of the engagement so that the auditor delivers a draft to the Executive Director by November 1<sup>st</sup>.

**C. Report Submissions**

Copies of all reports shall be addressed to the Executive Director. The successful proposer will also submit copies of reports as required by state and federal audit requirements.

The submission dates for the various reports to the District and the appropriate cognizant agencies are no later than:

Annual Financial Report	December 1 <sup>st</sup>
Single Audit Reports	December 1 <sup>st</sup>

If an extension of time is required, it will be the responsibility of the auditor to promptly notify the District in writing. It is the District's responsibility to secure all necessary approvals in a timely manner.

The final report and up to 35 signed copies should be delivered to:

Executive Director  
Mattabassett District  
245 Main Street  
Cromwell, CT 06416

A PDF file of the annual financial report and State Single Audit reports that are able to be posted on the District's website will be provided to the District at that time.



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**Professional Service Fees**

The undersigned hereby proposes to furnish The Mattabassett District located at 245 Main Street, Cromwell, Connecticut 06416 with audits of its financial statements for fiscal years 2024-2025, 2025-2026, and 2026-2027. The audits supplied shall meet the stated Specifications. State the Professional Service Fees below.

<u>Item</u>	<u>Audit</u>	<u>Fees</u> State <u>Single Audit</u>	<u>Total</u>
2024-2025 Audit	\$ _____	\$ _____	\$ _____
2025-2026 Audit	\$ _____	\$ _____	\$ _____
2026-2027 Audit	\$ _____	\$ _____	\$ _____

Hourly fees for special projects      Attach Rate Schedule

Firm: \_\_\_\_\_

Name of Principal Auditor: \_\_\_\_\_

Business Address: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Business Telephone Number: \_\_\_\_\_

Business Fax Number: \_\_\_\_\_

By: \_\_\_\_\_

Print name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_