



## NOTICE TO AUDITORS SOLICITATION OF AUDIT SERVICES

June 20, 2017

The Friedman Memorial Airport Authority, Hailey, Idaho is soliciting proposals for audit services for the year ending September 30, 2017. The anticipated contract period will be for one year with an option for the Authority to extend the engagement for three additional years.

The Request for Proposal outline is available from the Airport Management & Operations Center or on the Authority's webpage at [www.iflysun.com](http://www.iflysun.com) under the Business tab.

Interested Auditors should submit ten (10) copies of their proposal to Lisa N. Emerick, Contracts/Finance Administrator, Friedman Memorial Airport, 1616 Airport Circle, Hailey, ID 83333, (208) 788-4956 no later than 2:00 p.m. on July 20, 2017, as indicated on page 1 of the Request for Proposal. Selection of the Auditor will be made by August 31, 2017.

To be considered in the bidding process, the proposing independent auditing firm must meet the following minimum criteria:

1. The firm must meet the *Government Auditing Standards'* continuing professional education, independence, peer review, and licensing requirements.
2. The firm must have had experience in governmental auditing. The experience must have been on an entity-wide basis, and an opinion must have been issued.
3. The firm must be able to meet the reporting deadlines described in the Request for Proposal.

Disadvantaged Business Enterprises (DBE) are encouraged to submit. Selection will be based on statements received.





**REQUEST FOR PROPOSAL**  
***Financial Audit for***  
***Friedman Memorial Airport Authority***

**PURPOSE OF REQUEST FOR PROPOSAL**

The purpose of this request for proposal (RFP) is to enter into a contract with a qualified independent auditing firm (Auditor) to provide audit services. It is anticipated that this RFP will result in a contract award to a single Auditor.

This RFP is designed to provide interested offerors with sufficient basic information to submit proposals meeting minimum requirements, but is not intended to limit a proposal's content or exclude any relevant or essential data. Offerors are at liberty and are encouraged to expand upon the specifications to evidence service capability under any agreement.

**BACKGROUND**

Effective October 1, 1994, Blaine County, Idaho and the City of Hailey, Idaho entered into a Joint Powers Agreement creating the Friedman Memorial Airport Authority (Authority) for the purpose of operating and managing airport activities in Blaine County, Idaho. The Authority is a public entity of the State of Idaho. The Authority is governed by a seven-member board, has only one fund which is treated as a proprietary fund, and has no component units.

The preparation of the financial statements and related notes to the financial statements; the Schedule of Expenditures of Federal Awards and related notes (if a Single Audit is required); and the Schedule of Passenger Facility Charges Collected and Expended – Cash Basis and related notes will all be prepared by a CPA firm with which the Authority contracts for services. The auditor will not be expected to prepare any of the financial statements or schedules to be audited. A Management's Discussion & Analysis and budgetary management information will be prepared by management to be presented as required supplementary information.

Prior year audited financial statements for the Authority can be found on the Authority's website at [www.iflysun.com](http://www.iflysun.com) under the Business tab.

**SUBMITTING YOUR PROPOSAL**

Proposals must be received by the submission deadline of July 20, 2017, no later than 2:00 PM.

Proposals received after the deadline will be late and ineligible for consideration.

Ten (10) copies of your proposal must be submitted to the Authority at the address below:

Lisa N. Emerick, Contracts/Finance Administrator  
Friedman Memorial Airport  
1616 Airport Circle  
Hailey, ID 83333  
(208) 788-4956

Selection of the Auditor will be made by August 31, 2017, and all offerors submitting proposals will be notified immediately as to the selection results.

**LENGTH OF CONTRACT**

The audit contract resulting from this RFP will cover the annual audit for the fiscal year ending September 30, 2017, with an option for the Authority to extend the engagement for three additional years.

## **DETAILED SCOPE OF WORK**

### **A. AUDIT STANDARDS**

The auditor shall perform a financial audit and, depending on levels of federal funding, a Single Audit of the Authority for the fiscal year ending September 30, 2017, in accordance with the following:

- Auditing standards generally accepted in the United States of America, as promulgated by the American Institute of Certified Public Accountants (AICPA);
- *Government Auditing Standards*, 2011 revision, published by the U.S. Government Accountability Office;
- For the Single Audit - the Single Audit Act and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

### **B. REPORTING REQUIREMENTS**

1. Financial Report – The auditor shall audit the financial statements and records of the Authority and shall issue an opinion on those financial statements. The financial statements to be audited will be prepared in conformity with accounting principles generally accepted in the United States of America.
2. Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters – The auditor shall issue a report on internal control over financial reporting and on compliance and other matters in accordance with *Government Auditing Standards*.
3. Reports Required for the Single Audit – If a Single Audit is required, the auditor shall prepare all necessary audit reports and schedules as required by the Uniform Guidance.
4. Independent Auditor's Report on Compliance with Requirements Applicable to the Passenger Facility Charge Program and on Internal Control Over Compliance – The auditor shall issue a report expressing an opinion of the fairness and reasonableness of the Authority's procedures for receiving, holding, and using PFC revenue. In addition, the auditor shall report whether the quarterly reports that must be filed by the Authority, as required by 14 CFR Part 158.63(a), "fairly represent the net transactions within the PFC account."
4. Management Letter – As appropriate, the auditor shall prepare a constructive management letter to be provided to the Authority.
5. Reporting Deadlines – The following schedule is expected:  
November 15<sup>th</sup> – Begin Audit  
December 15<sup>th</sup> – Preliminary Audit results presented to Authority management  
January – Final draft of audited financial statements presented to Authority Board for approval

## **PROPOSAL REQUIREMENTS**

The following information should be included in the proposal to perform the audits:

### **A. Profile of the Independent Auditor**

Provide general background information which includes:

1. The organization and size of the offeror, whether it is local, regional, national or international in operations.
2. The location of the office from which the work is to be done and the number of professional staff, by staff level, employed at that office.
3. A positive statement that the following mandatory criteria are satisfied:
  - (a) An affirmation that the offeror is properly licensed for practice as a certified public accountant in the State of Idaho.
  - (b) An affirmation that the offeror meets the independence requirements of AICPA Rule 101 and the *Government Auditing Standards*.
  - (c) An affirmation that the offeror meets the continuing professional education requirements contained in the *Government Auditing Standards*.
4. A copy of the offeror's most recent peer review report.

### **B. Offeror's Qualifications**

1. Identify the audit partners, audit managers, field supervisors and other staff who will work on the audit including the relevant experience for each individual.

2. Describe the recent auditing experience similar to the type of audit requested.
  3. Provide a list of current and prior governmental audit clients including years of service, name, address, telephone numbers and contact reference.
- C. Offeror's Approach to the Audit  
Submit a general audit work plan to accomplish the scope defined in these guidelines. The audit work plan should demonstrate the offeror's understanding of the audit requirements.
- D. Time Requirements  
Detail how the reporting deadline requirements of the audit will be met.
- E. Comprehensive Not-To-Exceed Fee  
Supply a comprehensive "not-to-exceed" fee for the audit, inclusive of travel, per diem and all other out-of-pocket expenses. Flexible terms or conditional clauses are not desired. Proposals should reflect a clear understanding that the terms of the audit would be subject to change or extension only for major substantial reasons or after compliance with the following procedures: (1) The reason or reasons for any continuation, expansion, or redirection of the audit shall be stated and explained in writing and presented to the Authority and (2) No additional charges or costs above the original agreed upon price could be claimed unless approved in advance by the Authority.

### **CONTRACTUAL ARRANGEMENTS**

- A. Document Retention – Audit documentation and reports for the audit must be retained by the auditor for a period of five years after the completion of the audit and made available for inspection by the Authority or government auditors, if requested by them. The audit documentation shall also be made available for review by subsequent auditors.
- B. Written Agreement - A rough draft agreement shall be provided which, when negotiated and signed, will be a contract and will be binding upon all parties. The written agreement should incorporate, by reference, the terms of this RFP and shall clearly specify:
1. Applicable audit standards, scope, objective and purpose.
  2. Deadlines for work to be performed.
  3. Audit cost.
  4. Report format.
  5. Type and timing of support to be provided to the auditor by Authority Personnel.
  6. Methods for changes for work or services to be provided.
  7. All reports rendered to the Authority by the contracting auditor shall be exclusive property of the Authority and shall be subject to its use and control, according to applicable laws and regulations.
  8. Working papers shall be the property of the contracting auditor and shall be retained for the period designated in the proposal and made available to the Authority and governmental auditors upon request.
  9. Outline the provision for recourse in the event of poor quality work or breach of contract and highlight provisions for termination of the contract by both parties.
  10. Highlight the firm's policies on notification of changes in key personnel.
- C. Compensation for Services – Payment for the audit will be made by the Authority upon receipt of the audit reports.

### **EVALUATION OF PROPOSALS**

The evaluation process will separate technical ability and price. The technical evaluation address the firm's technical qualifications and ability to perform the audit. Although the price for the work to be performed is a significant factor in the selection of a qualified audit firm, the Authority is most concerned with receiving a high quality audit at a fair and competitive price.

As a first step, all offerors will be required to meet certain minimum standards before an evaluation of either their technical qualifications or price proposal will be reviewed. The minimum standards shall include:

1. The audit firm shall be composed of Certified Public Accountants.
2. All appropriate State of Idaho licensing requirements shall be met.

3. Applicable independence standards shall be met.
4. The firm shall have a record of responsible work.

The minimal technical criteria which the administration and the Authority expect to be able to verify from the proposal include:

1. Understanding of Audit Requirements.
  - a. Does the proposal contain a sound technical plan and realistic estimate of time required to complete the audit?
2. Soundness of Technical Approach.
  - a. Does the proposal show the audit firm's intention to start the audit when required and complete the audit in a timely fashion?
  - b. Does the technical plan show a practical approach to meeting specific deadlines?
  - c. Does the proposal indicate that the firm will use (1) a systematic approach to examining systems and internal controls and (2) effectiveness of procedures, including consideration of risk and materiality, to determine the extent of audit testing necessary?
3. Qualification of Audit Firms:
  - a. Does the firm have experience in performing the required work for governmental agencies?
  - b. Do prior and/or current clients have a positive opinion of the firm?
4. Qualifications of the Audit Team:
  - a. Does the proposal clearly show the collective experience of the team to be assigned to the project?
  - b. Does the proposal specify, in concrete language, that key personnel have education and experience in the type of work that the audit entails?
  - c. Is the experience explained in terms of audit engagements?
  - d. Does the proposal indicate the extent to which the Authority's personnel would be expected to contribute to the work effort?
  - e. Does the proposal specify that the Authority must be notified in writing of key personnel changes?
  - f. Does the proposal provide an approach for planning and conducting the work effort of the subsequent audit years?

Right to Reject – The Authority reserves the right to reject any and all proposals submitted and to request additional information from all offerors. Any contract awarded will be made to the offeror who, based on evaluation of all responses (applying all criteria and oral interviews if necessary), is determined to be the best to perform the audit.

#### **ADDITIONAL INFORMATION**

The individual listed below may be contacted for information. However, before making contact we request you review the Authority's prior year financial statements and auditor's reports which can be found at [www.iflysun.com](http://www.iflysun.com) under the Business tab.

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