

# **SERVICE PROVIDER'S SCOPE OF WORK**

## **General Project Description:**

Service Provider shall complete a forensic analysis ("audit") of the sources and uses of funds for the period January 1, 2008 through June 30, 2019 of the Water, Waste Water, and Storm Drainage Utilities, and confirm the December 31, 2018 ending fund balances in each Utility. All Services shall be performed in accordance with applicable industry standards which may include generally accepted accounting principles (US GAAP), generally accepted auditing standards (US GAAS), and standards applicable to forensic analysis and investigations.

## **Services to be Provided:**

Conduct interview with governing body (City councilmembers in a study session) to gain understanding of individual councilmember concerns, document final scope of work, and establish clear expectations of questions to be answered once work is complete.

Scope of work will include the following:

1. Analyze source of funds (operating or rate revenue vs. plant investment fees) for the years 2008 through 2018 in the Water, Waste Water, and Storm Drainage Utility. Confirm source of funds ties to financial statement balances reported in the Comprehensive Annual Financial Report for each year.
2. Analyze source of funds (operating or rate revenue vs. plant investment fees) for the period January 1, 2019 through June 30, 2019 in the Water, Waste Water, and Storm Drainage Utility. Confirm source of funds ties to the City's general ledger revenue detail for the same period.
3. Prepare a report which details discrepancies in recorded revenue by year, if any. Provider must prepare three reports, one for each Utility.
4. Analyze use of funds (operating expenses vs. growth or expansion expenses) for the years 2008 through 2018 in the Water, Waste Water, and Storm Drainage Utility. Confirm use of funds ties to financial statement balances reported in the Comprehensive Annual Financial Report for each year.
5. Analyze operating and capital budgets for the years 2008 through 2018, and the period January 1, 2019 through June 30, 2019 in the Water, Waste Water, and Storm Drainage Utility to determine if use of funds by year were authorized per City Council's appropriation.
6. Prepare a report which details discrepancies or questioned costs by year, if any. Provider must prepare three reports, one for each Utility.
7. Prepare a report which details budgeted operating expenses vs. actual operating expenses and budgeted capital projects vs. amount spent on capital projects by year for the years 2008 through 2018 and for the period January 1, 2019 through June 30, 2019. Provider must prepare three reports, one for each Utility.
8. Present final reports and findings, if any, at a Council Study Session once work is complete.