REQUEST FOR PROPOSALS

FINANCIAL AUDIT SERVICES

November 16, 2026

To: Qualified Certified Public Accounting Firms

Otis Mutual Domestic Water Consumers & Sewage Work Association invites qualified and licensed Certified Public Accounting (CPA) firms to submit proposals for professional financial audit services for the fiscal year ending **June 30, 2026**.

The Association is a nonprofit local government organization located at **2501 Bannister Road Carlsbad, New Mexico 88220**. The selected firm will be responsible for providing an independent financial statement audit and related services in accordance with applicable professional standards and regulatory requirements.

The Association is seeking a qualified CPA firm with demonstrated experience in auditing organizations of similar size and type. The requested services include the annual financial statement audit, management letter, applicable tax and regulatory filings, and reasonable advisory support.

The Association intends to establish an initial engagement for the fiscal year ending June 30, 2026, with the option to renew the engagement for additional fiscal years for up to **three fiscal years total**, subject to satisfactory performance, mutual agreement, and availability of funding.

We encourage interested firms to carefully review the enclosed Request for Proposals, including the scope of services, proposal requirements, evaluation criteria, fee requirements, and submission schedule.

Proposal submissions must be received no later than December 16, 2026. Proposals should be submitted electronically by email to:

Amanda Wray
Office Supervisor / CPO
Otis Mutual Domestic Water, Consumers and Sewage Work Association
Email: **procurement@otiswater.com**
Phone: **575-236-6351**

Questions and inquiries regarding this RFP may be submitted beginning **November 16, 2026** (Question deadline December 9, 2026) to the contact listed above.

The Association anticipates completing its evaluation and making a selection on or about **December 30, 2026**.

We appreciate your interest in providing professional audit services to Otis Mutual Domestic Water Consumers & Sewage Work Association and look forward to reviewing your proposal.

Sincerely,

Amanda Wray
OMDW Office Supervisor / CPO
Otis Mutual Domestic Water, Consumers and Sewage Work Association
2501 Bannister Road
Carlsbad, NM 88220
575-236-6351
amanda@otiswater.com

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REQUEST FOR PROPOSALS

FINANCIAL AUDIT SERVICES

Issued By:
Otis Mutual Domestic Water, Consumers and Sewage Work Association
2501 Bannister Road
Carlsbad, NM 88220
Fiscal Year Ending: June 30, 2026
Proposal Submission Deadline: December 16, 2026
Question Submission Deadline: December 9, 2026
Target Selection Date: December 30, 2026

I. INTRODUCTION AND BACKGROUND

Otis Mutual Domestic Water, Consumers and Sewage Work Association ("Association") invites qualified and licensed Certified Public Accounting (CPA) firms licensed to practice in New Mexico, to submit proposals for professional financial audit services.
The selected firm will be responsible for the preparation and completion of the Association's annual audited financial statements and related filings for the fiscal year ending **June 30, 2026**.
The Association is a nonprofit local government organization located at **2501 Bannister Road, Carlsbad, New Mexico 88220**.
The Association intends to select a qualified CPA firm for the fiscal year ending June 30, 2026, with the option to renew the engagement for two additional fiscal years, for a maximum potential term of **three fiscal years**, subject to satisfactory performance, mutual agreement, and availability of funding.
The purpose of this Request for Proposals (RFP) is to solicit competitive proposals from qualified firms with demonstrated experience providing audit services to nonprofit organizations, governmental entities, water associations, utilities, or organizations comparable to the Association in size and complexity.

II. NATURE AND SCOPE OF SERVICES REQUIRED

The selected CPA firm will provide the following professional audit and related services:

A. Financial Statement Audit

Conduct an independent audit of the Association's financial statements in accordance with:

- Generally Accepted Auditing Standards (GAAS);
- Government Auditing Standards (GAGAS), when applicable;
- Applicable federal, state, and local requirements; and

The firm shall issue an independent auditor's report expressing an opinion on whether the Association's financial statements are presented fairly, in all material respects, in

accordance with the applicable financial reporting framework, and shall issue any additional reports required by the applicable auditing standards or legal requirements.

B. Management Letter
The selected CPA firm shall provide a management letter describing observations and recommendations arising from the audit, including, as applicable:

- Internal control weaknesses and recommended corrective actions;
- Improvements to accounting systems and financial reporting processes;
- Opportunities to strengthen financial policies and procedures;
- Opportunities to improve the efficiency of financial operations; and
- Other matters identified during the audit that may assist management in improving the Association's financial administration.

C. Tax and Regulatory Filings
The selected CPA firm shall provide preparation, review, or assistance with applicable tax and regulatory filings specified in the engagement scope.
The proposal shall identify:

- The filings covered and the level of service provided for each;
- The services included in the proposed fee; and
- Any excluded services or additional fees.

D. Advisory Availability
The selected CPA firm shall provide reasonable access to professional staff for questions and consultation concerning accounting, auditing, financial reporting and internal controls related to the engagement.
The proposal shall describe the consultation services included in the proposed fee, any limits on availability or hours, and the rates for additional advisory services. Services requiring additional fees shall receive the Association's prior written authorization

III. PROPOSAL REQUIREMENTS

Proposals should be concise and provide enough detail for the Association to evaluate the firm's qualifications, relevant experience, proposed approach, and ability to perform the services described in Section II.

A. Firm Overview and Experience

Each proposal shall include the following information.

1. **Firm profile.** Provide a brief overview of the firm, including its years in business, approximate staff size, and the office location or locations that will serve the Association.
2. **Professional qualifications and licensure.** Identify the firm's professional qualifications and applicable licenses or permits for performing the proposed audit services.

3. **Relevant audit experience.** Describe the firm's experience auditing nonprofit organizations, governmental entities, water associations, utilities, or other organizations comparable to the Association in size and complexity. For each example, identify the type of organization, the audit period, and the scope of services provided.
4. **Comparable clients.** Identify current or former clients associated with the examples when disclosure is permitted. If a client's name cannot be disclosed, provide enough detail about the organization and engagement for the Association to assess its relevance.

B. Proposed Engagement Team

Identify the personnel who will perform the Association's audit and designate the engagement partner, audit manager, and any other key personnel
For each key team member, provide the following information:

- Name and title;
- Professional licenses, credentials and certifications relevant to the engagement;
- Total years of audit experience;
- Experience auditing governmental entities, nonprofit organizations, water associations, utilities, or other organizations comparable to the Association in size and complexity.
- Proposed role and responsibilities on the engagement.

The Association reserves the right to approve or request changes to key personnel assigned to the engagement. The selected firm shall obtain the Association's prior written approval before assigning a replacement for any key team member. Proposed replacements shall have qualifications and relevant audit experience at least comparable to those of the personnel they would replace.

C. Audit Approach

The proposal shall describe how the firm will conduct the Association's financial statement audit. Address each of the following areas.

1. **Planning and risk assessment.** Describe how the firm will learn about the Association's operations, identify areas of higher audit risk, and use that assessment to plan its work.
2. **Internal controls and audit testing.** Describe how the firm will evaluate controls relevant to the audit and determine the nature and extent of its testing. Explain how the firm would approach key areas such as customer billing and collections, cash disbursements, and capital assets, as applicable.
3. **Financial statements and reporting.** Describe how the firm will review the financial statements and related disclosures and coordinate with management to resolve proposed audit adjustments and reporting matters.

4. **Communication and findings.** Describe how the firm will keep management informed, promptly communicate significant issues as they arise, and discuss findings and recommendations with management and the Board of Directors, as appropriate.
5. **Technology and coordination with staff.** Describe the proposed mix of on-site and remote work, how the firm will securely exchange records and documents, and what assistance it expects from Association staff. Explain how the firm will schedule fieldwork and coordinate requests for records to minimize disruption to daily operations.

D. Technology and Efficiency

The proposal shall describe the technology the firm will use to conduct the audit, including audit software, electronic workpapers and secure file-sharing tools.

Address the following in the proposal.

1. **Document requests and communication.** Explain how the firm will organize and track requests, reuse records already provided when appropriate, and keep Association staff informed of outstanding items.
2. **Staff workload.** Describe how the firm will use existing accounting and billing reports or data exports where practical. Identify any software, accounts, training, or data preparation the firm will require from Association staff.
3. **Information protection.** Describe how the firm will protect confidential financial and customer information during transfer and storage, and how it will limit access to authorized personnel.

E. Timeline and Milestones

The proposal shall include a schedule for the audit engagement beginning after contract execution. Provide anticipated dates or time frames for each of the following milestones.

1. Kickoff, initial planning, and delivery of the initial request for records.
2. Interim audit work, if applicable, and start and completion of fieldwork.
3. Delivery of the draft financial statements and related auditor's reports for management review, as applicable.
4. Discussion of proposed audit adjustments and findings with management, delivery of the draft management letter, and review of management's responses, as applicable.
5. Delivery of the final audited financial statements, auditor's reports, and management letter.

Identify the records, staff availability, decisions, and approvals needed from the Association, and state when each is needed to keep the audit on schedule. Explain how the firm will notify the Association of any delay that could affect final delivery.

F. Fee Structure

The proposal shall state an all-inclusive maximum fee for the required services described in Section II for the fiscal year ending June 30, 2026, and separately for each optional renewal fiscal year. Each maximum fee shall include all professional fees, travel, and other expenses necessary to complete the required services.

The proposal shall identify the following.

1. **Services included.** List the services and deliverables covered by each annual maximum fee and state any assumptions used to develop the fee.
2. **Additional services.** Separately list any anticipated services outside the required scope and provide a fixed fee, maximum fee, or hourly rates for each, as applicable. If hourly rates apply, identify the rates by personnel classification and provide an estimated total for the work.
3. **Potential fee changes.** Describe the firm's policy on fee overruns and identify any changes in scope or other circumstances that could lead the firm to request a fee adjustment.

Before performing any work that would result in charges outside or above the agreed maximum fee, the selected firm shall submit a written request describing the proposed work, the reason for the additional charge, and the proposed fee. The firm shall obtain the Association's written authorization before beginning that work.

IV. REFERENCES

Each proposer shall provide at least three professional references from organizations for which the firm has performed financial statement audits comparable services described in Section II. References may include nonprofit organizations, governmental entities, water associations, utilities, or other organizations comparable to the Association in size and complexity.

For each reference, please provide:

- Organization name;
- Name and title of a contact familiar with the firm's work.
- Contact's telephone number and email address.
- Brief description of the audit and any related services provided.
- Approximate length of the engagement and the most recent fiscal year audited

The Association may contact the references to verify the firm's experience and ask about the quality of its work, responsiveness, and ability to meet deadlines.

V. PROPOSAL EVALUATION AND SELECTION

The Association will review timely proposals for compliance with the RFP's mandatory requirements. The Association will score proposals that meet those requirements using the criteria below.

Evaluation criterion	**Maximum points**
Firm qualifications and experience with comparable audits, including work for water associations, utilities, or other organizations similar in size and complexity	20
Qualifications, relevant audit experience, and availability of the proposed engagement team	20
Understanding of the Association's audit requirements, proposed audit approach, and availability of professional support during the engagement	20
Technology, secure document exchange, and measures to reduce staff workload and disruption	5
Proposed schedule and ability to meet required deadlines	10
References and past performance on comparable engagements	10
Results of external peer review and other applicable external quality control reviews	5
Proposed fees for the required services	10
Total	**100**

Fee scoring. The Association will add the all-inclusive maximum fees proposed under Section III.F, for the fiscal year ending June 30, 2027, and each optional fiscal year listed in the RFP. Separately priced services outside the required scope will be excluded. The proposal with the lowest evaluated fee will receive 10 points. Each other proposal's fee score will equal 10 multiplied by the lowest evaluated fee divided by that proposal's evaluated fee.

Clarifications and selection. The Association may request clarification or supporting information and may conduct discussions or negotiations as permitted by applicable procurement requirements. If the Association makes an award, it will select the responsible firm whose responsive proposal is most advantageous to the Association based on the published evaluation criteria and weights.

The Association may reject any or all proposals or waive minor irregularities that do not affect the substance of a proposal or give a proposer a competitive advantage, as permitted by applicable procurement requirements. Any award is subject to required approvals and execution of a written contract.

VI. SUBMISSION GUIDELINES AND SCHEDULE

RFP Inquiry/Question Period Opens

RFP milestone	Date and time
Question period opens Questions regarding this RFP should be directed to the contact person listed below.	November 16, 2026
Deadline to submit written questions Questions submitted after the deadline will not be answered due to documentation timeline purposes.	December 9, 2026, at [time] Mountain Time
Deadline for receipt of proposals	December 16, 2026, at [time] Mountain Time
Target date to notify the selected firm	December 30, 2026

Questions and addenda. Submit all questions in writing by email to the RFP contact listed below. The Association will issue responses that clarify or change the RFP through written addenda made available to all prospective proposers. Questions received after the deadline may go unanswered.

Proposal submission. Submit one complete proposal as a PDF attachment to the email address below. Use the subject line Audit Services RFP – [Firm Name]. The Association must receive the proposal by the date and time stated above. Proposals received after the deadline will not be considered except as permitted by applicable procurement requirements**.**

Proposal Delivery Method
Proposals shall be submitted electronically by email to:

Amanda Wray
OMDW Office Supervisor / CPO
Otis Mutual Domestic Water, Consumers and Sewage Work Association
Email: **procurement@otiswater.com**
Phone: **575-236-6351**
Target Selection Date
December 30, 2026
Selection and Contract. The Association intends to notify the selected firm on or about December 30, 2026. The engagement is subject to any required approvals and execution of a written audit contract.

VII. GENERAL CONDITIONS

A. Independence and professional conduct

The selected CPA firm shall maintain independence throughout the audit engagement and comply with applicable professional standards, ethical requirements, laws, and regulations. The firm shall promptly disclose to the Association any actual or potential conflict of interest or other circumstance that could impair its independence.

B. Confidentiality

Each proposer and the selected firm shall safeguard confidential information the Association provides in connection with this RFP or the audit engagement. Such information shall be used only for preparing a proposal or performing the engagement, as applicable. Disclosure is permitted when authorized by the Association or required by applicable law, regulation, or professional standards.

C. Communication of significant matters

The selected firm shall promptly notify management and, as appropriate, the Board of Directors of significant audit findings, internal control deficiencies, potential noncompliance, or other matters requiring timely attention. The firm shall communicate significant matters as they arise and address them in the applicable reports or written communications.

D. Ongoing communication

The selected firm shall keep management informed of audit progress, outstanding information requests, and issues that may affect the engagement schedule. The firm shall respond in a timely manner to reasonable questions and requests for assistance within the scope of the engagement.

VIII. PROPOSAL CERTIFICATION

By submitting a proposal through an authorized representative, the proposing firm certifies that, to the best of its knowledge, the information in its proposal is accurate and complete in all material respects. The firm also certifies that it meets the qualifications and holds the licenses or authorizations required to perform the services described in this RFP.

The firm acknowledges that the Association may verify the information in its proposal and consider information obtained through reference checks, interviews, clarifications, or discussions, as applicable. The Association will evaluate that information using the criteria and weights published in Section V.

IX. CONTACT INFORMATION

Otis Mutual Domestic Water Consumers & Sewage Work Association
2501 Bannister Road
Carlsbad, NM 88220
Amanda Wray
OMDW Office Supervisor / CPO
Phone: 575-236-6351
Email: procuement@otiswater.com
RFP: Financial Audit Services
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