

ONTONAGON AREA SCHOOL DISTRICT

Request for Proposal For Audit Services

January 8, 2024

**Ontonagon Area School District
Lisa Johnson, Superintendent
701 Parker Avenue
Ontonagon, MI 49953**

GENERAL CONDITIONS

Ontonagon Area School District is seeking proposals (RFP) for the audit of the Ontonagon Area School District (the School District) in accordance with the Michigan Department of Education requirements, Governmental Auditing Standards, OMB Circular A-133, Audits of States, Local Government and Non-Profit Organizations, and generally accepted auditing standards.

Completed proposals must be sent to the attention of Lisa Johnson, Superintendent, 701 Parker Avenue, Ontonagon, MI 49953, and must be received by 2:00 p.m. on Wednesday, January 24 2024

Proposals should include separate firm pricing for the Annual Financial Report and the report on Compliance for Federal Grant Programs for three separate fiscal years:

July 1, 2023 – June 30, 2024

July 1, 2024 – June 30, 2025

July 1, 2025 – June 30, 2026

It is the intent of the Ontonagon Area School District to award this audit proposal for a three-year period; however the term of the engagement shall end if the audit contract is violated or if the audit quality is unacceptable.

Although cost will be an important factor in awarding the contract, the School District is not obligated by any statute or regulation to award the purchase of audit services solely on the basis of cost. Accordingly, the School District reserves the right to evaluate all proposals objectively and subjectively and to accept or reject any or all proposals or portion thereof. Additionally, the School District reserves the right to negotiate changes in services with the firm determined to have submitted the proposal that is in the best interest of the School District.

It is to be understood that this Request for Proposal constitutes specifications only for the purpose of receiving proposals for services and does not constitute an agreement for those services. It is further expected that each bidder will read these specifications with care. Failure to provide requested information or meet certain specified conditions might invalidate the proposal(s).

Proposals shall remain valid for a period of sixty (60) days after submission. The District will not accept modifications to proposals, except as may be mutually agreed upon following the acceptance of the proposal.

All questions should be directed to the Superintendent, at (906) 813-0614.

MANDATORY QUALIFICATIONS OF THE AUDITOR

The following must be affirmed in the proposal response:

1. The proposer is properly licensed for public practice as a certified public accountant.
2. The proposer meets the independence and continuing professional education requirements of the Government Auditing Standards - Standards for Audit of Governmental Organizations, Programs, Activities and Functions, published by the U.S. General Accounting Office.
3. The firm and the partner assigned to the District must have considerable experience in auditing K-12 public school districts within the State of Michigan. The firm must have an excellent reputation for service in school district auditing
4. The firm should have a minimum of \$1,000,000 Errors and Omissions Insurance. (The successful firm will be required to provide the district with a certificate of insurance to verify this coverage.)

AUDIT REQUIREMENTS

SCOPE:

- Completion of an annual, audited financial report that is in compliance with Generally Accepted Governmental Auditing Standards as promulgated by GASB, AICPA and Michigan Departments of Education and Treasury.
- Completion of a Single Audit Report, if necessary, in compliance with the United States General Accounting Office standards commonly referred to as the "Yellow Book" and Michigan Department of Education Michigan School Auditing Manual.
- Preparation of a Management Letter of Recommendations for the Business Services Manager and Superintendent.
- Meetings with the Business Services Manager and/or Superintendent prior to release, as requested.
- Audit procedures should be in compliance with auditing standards as promulgated by MDE, Michigan Department of Treasury, GASB, GAAP/SAS, AICPA, and U.S. General Accounting Office.

AUDIT TIMELINE:

- Audit to commence in August of each year at such time as mutually agreed upon.
- Audit documents to be delivered to the district each year in order to meet audit deadlines set by the Michigan Department of Education.

COMMUNICATION

The auditor will maintain regular contacts and meetings with the district administrators, as needed, including but not limited to:

- Engagement planning meeting
- Progress reports
- Closing review meeting
- Notifications and explanation of changes to accounting/auditing requirements that would affect the

reporting requirements of the school district

OTHER

- The auditor shall furnish the school district with up to 5 copies and a PDF electronic file of the Annual Financial Report and Single Audit Report.
- The auditor shall assist the school district with any changes that need to be made as required by the Board of Education, Michigan Department of Education, or other body of government that requires a copy of our audit.

DISTRICT INFORMATION

1. *Enrollment.*

Ontonagon Area School District is a K-12 school district located in Ontonagon, Michigan. The School District provides general and special education services to all district students within its service area. We are a single building with approximately 250 students.

2. *Funding*

The School District is funded through tax levy, state aid payments, and grants.

3. *Staffing*

The district employs approximately 50 people (16 teachers, 2 administration, 17 support staff, and various coaching and substitute staff).

The following list represents key personnel involved in the financial operations of the district and their length of experience:

Lisa Johnson, Superintendent/Principal, 1 year as Superintendent, 21 additional years as a teacher and Administrator.

Position Open, Business Services Manager, newly hired as Business Services Manager, at Ontonagon Area School District.

Nancy Walker, Business Services Assistant, First year as Payroll/ Business Services Assistant at Ontonagon Area School District.

4. *Accounting Software*

The School District utilizes SDS (Specialized Data Systems) software for general ledger, accounts payable, cash receipts, purchasing, payroll, and personnel. EPES Software is used for student activities.

5. Financial Information

Fund	June 30, 2023 Fund Balance	Projected 2023-24 Revenues	Projected 2023-24 Expenditures
General Fund	\$352,371	\$3,724,370	\$3,807,660
Fund	June 30, 2023 Fund Balance		
Food Service Fund	\$ 50,044		
Debt Service Fund	\$ 8,354,		
Sinking Fund	\$898,116		

6. Taxes

The School District collects taxes from five townships in Ontonagon County.

7. Other

A copy of the District's Annual Financial Report for the year ending June 30, 2023 is located on the District's Transparency page of the website, www.oasd.k12.mi.us .

The District will prepare the FID transmission for the years ending June 30, 2024, 2025 and 2026.

The District will prepare the General Ledger for each fund and Schedule of Federal Awards and submit to the auditor in excel format.

ONTONAGON AREA SCHOOL DISTRICT

AUDIT PROPOSAL FORM

Please complete and return this proposal form with any additional information you feel is necessary to help us evaluate your firm. **Proposals are due by 2:00 p.m. local time on Wednesday, January 24, 2024.**

Location of the office that will be performing the audit for Ontonagon Area School District

Audit Firm: _____
Address: _____
Contact Person: _____
Phone Number: _____

Number of Michigan school district audits that your firm conducted in each of the last two years. Please attach a list of school districts.

Year ending June 30, 2023 _____
Year ending June 30, 2022 _____

Number of other governmental (fund accounting) audits your firm has conducted in each of the last two years.

Year ending June 30, 2023 _____
Year ending June 30, 2022 _____

Number of total audit staff. Do not include tax, consulting services or clerical personnel.

Number of audit staff _____
Number of audit staff with CPA certification _____

Number of staff above who were directly involved in a significant portion of the audit of a school district in the last two years. _____

Staff anticipated to be assigned to audit.

Name	Title/Position	# of Years Audit Experience	# of Years School Audit Experience	Qualifications (Degree, CPA)
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

What type of consulting service do you provide to the school district on an annual and ongoing basis at no additional cost?

Hourly rates for consulting services beyond the scope of the consulting services listed above.

Indicate other services that you provide to your clients.

Please provide any additional information or data, which you feel is relevant and may be helpful in the selection process.

Audit Firm Official Information:

Firm Name: _____

Address: _____

City, State, Zip Code: _____

Phone: _____ Fax: _____

Signature: _____

Printed or Typed Name and Title: _____

Date: _____

Base audit cost:

June 30, 2024 \$ _____

June 30, 2025 \$ _____

June 30, 2026 \$ _____

Please submit copies of Proposals by 2:00 p.m. on Wednesday, January 24, 2024, to:

Lisa Johnson
Superintendent
Ontonagon Area School District
701 Parker Avenue
Ontonagon, MI 49953