

Regional School Unit # 13
28 Lincoln Street
Rockland, Maine 04843
207 596-2001

Request for Proposals
For Annual Financial and Compliance Audit

RSU #13 invites proposals for an audit of its financial records. Information and audit requirements are available from RSU #13, 28 Lincoln Street, Rockland, Maine 04843 or by calling 207 596-2001. **Sealed proposals marked “Audit Proposals” are due by 1:00 p.m. on May 10th, 2016** at the Business Office, RSU #13, 28 Lincoln Street, Rockland, Maine 04843.

PROPOSAL INFORMATION

A. Administrative Information

1. RSU #13 system is composed of the city of Rockland and the towns of Cushing, Owls Head, South Thomaston, and Thomaston. It has a student enrollment of 1700 with 370 staff members. There are five Elementary schools, one Middle School and one High School. The current annual budget for the district is approximately \$28 million. All financial records are located in the Business Office in Rockland.
2. Schedule of funds to be audited.
 - a. Government Fund Types
 - i. General
 - ii. Special Revenue
 - iii. Capital Projects – If Any –
 - b. Proprietary Fund
 - i. Enterprise
 - c. Fiduciary Funds
 - i. Student Activities
 - ii. Trusts
 - d. Account Groups
 - i. General Fixed Asset
 - ii. General Long Term Debt
 - e. Source of Revenues
 - i. Local Assessment
 - ii. State Subsidy
 - iii. Interest Income and Refunds
 - iv. Tuition
 - v. Miscellaneous
 - vi. State and Federal Projects (listing with estimated expenditures)
 - vii. Special Projects
 - viii. Adult Education
 - ix. High School Activities
 - x. Meals and Subsidies
 - xi. Medicaid
 - xii. State Agency Client Billing
 - f. Sub recipients of federal funds passed through from the school system.
3. Description of Accounting Records
 - a. RSU #13 follows the State of Maine Handbook, Financial Accounting Classifications and standard Terminology for Local and State School Systems.
 - b. The accounting records of RSU #13 are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund

equity/retained earnings, revenues, and expenditures, or expenses as appropriate. The modified accrual basis of accounting is followed by the governmental funds, expendable trust funds, and agency funds.

4. Description of Computer System

- a. The accounting functions are performed by:
 - i. Pete Orne, Business Manager
 - ii. Helen Slocum, Bookkeeper
 - iii. Barbara Dyer, HR/Payroll
 - iv. Jenn Colby, Special Ed Bookkeeper
- b. The District uses Tyler Technologies ProFund (ADS branch/Bangor Maine).

5. Name of Contact Person

- a. The contact person for this audit will be Pete Orne, Business Manager. He may be contacted at 207 596-2001.

6. Period to be audited

- a. The period to be audited will be July 1st through June 30th for the fiscal years ending June 30, 2016, 2017 and 2018.

7. Term of Contract

- a. The term of contract will run from May 1, 2016 (or on contract execution) through April 30, 2019, which includes the years ending June 30 2016, 2017 and 2018.

8. Availability of Prior Audit Report (FY2015)

- a. Electronic or hard copy available upon request or at www.rsu13.org/audit

B. Work and Reporting Requirements

1. Auditing Standards to be followed.

- a. All audit work will follow generally accepted governmental auditing standards and those found in Title 20-A, Section 6051 of the Maine Revised Statute Annotated and the 1988 revision of the Governmental Auditing Standards issued by the United States General Accounting Office. The provisions of the Single Audit Act of 1984 and the provisions of OMB Circular A-128, Audits of State and Local Governments shall apply.

2. Extent of Assistance from RSU #13

- a. The Business Office is normally open Monday through Friday 7:30 a.m.-4:00 p.m. A work area will be provided in the Business Office. The successful bidder may expect assistance from the school staff identified in A. 4 to provide material to include:
 - i. A copy of year end trial balance.
 - ii. Details of any account balances.
 - iii. Type bank confirmations, as needed.
 - iv. Pull any requested invoices.

3. Specific Scope of Audit Work to be Performed.

a. Financial Audit

- i. The audit will consist of an examination of the combined financial statements of the various fund and account groups of the school district as listed in section A.2 of the request for proposal. The auditor will review, test and evaluate the school district's significant internal control systems to the extent necessary to render an opinion. The auditor will examine such information as is necessary to allow the auditor to render an opinion on the financial statements.
- ii. The auditor will render an opinion as to whether the financial statements are fairly stated in accordance with generally accepted accounting principles and explain any exceptions.
- iii. The auditor will issue a letter to management setting forth any identified material weaknesses in internal controls and propose methods of correcting such weaknesses, if practicable.
- iv. The auditor will assist the district in maintenance of GASB 34.

b. Compliance Audit

- i. The auditor shall perform a compliance audit of the school districts financial assistance programs, in accordance with the provisions of the Single Audit Act of 1984 and the provisions of OMB Circular

A-128, Audits of State and Local Governments. The auditor shall render an opinion on the schedule of federal financial assistance and on the internal accounting and administrative controls at the general purpose financial statements level and federal financial assistance program level, and on compliance at the general purpose financial statements level and the federal assistance program level.

4. Number and types of reports required.

- a. The school system will require 25 bound reports that will contain, as a minimum, the following information:
 - i. Management letter.
 - ii. Financial/compliance report.
 - a. Balance Sheet – All Fund Types and Account Groups.
 - b. Combined Statement of Revenues, Expenditures, and Changes in Fund.
 - c. Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – General Fund.
 - d. Statement of Revenues, Expenditures and Changes in Fund Balances - Special Revenue Fund.
 - e. Statement of Revenues, Expenditures and Changes in Fund Balance - Enterprise Fund.
 - f. Summary of Significant Accounting Policies and Notes to the Financial Statements.
 - g. Schedule of Agreement Operations.
 - h. Budget, Assessment and Valuation.
 - i. School Student Activity Accounts, Schedule of Revenues and Expenditures.
 - j. Schedule of Federal and State Financial Assistance.
 - k. Any statements/schedules necessary to comply with GASB 34.

5. Exit Conference Requirements.

- a. Provide information in response to questions from the district about the audit scope or procedure.
- b. Explain any departure from GAAP.
- c. Discuss any errors or irregularities that were observed.
- d. Discuss questioned costs relating to federal financial assistance.
- e. Provide any recommendations to improve the accounting procedures or the financial operations of the school system.
- f. Provide beginning balances for the new fiscal year.

C. Time Requirements.

1. The district will provide for audit review by August 10 of each year, or as mutually agreed upon with the possibility of a few days of pre-audit in May to go over any requirements for the Audit and to obtain a list of invoices, checks and purchase orders to be pulled and ready for the audit.
2. Dates for Completing.
 - a. The final report will be delivered to the Superintendent of Schools by December 1 of each year for the previous fiscal year.
3. Date of Contract Award
 - a. Proposals will be publicly opened and read at 1:00 p.m. on May 10th, 2016 at the Business Office, 28 Lincoln St., Rockland, Maine 04841. The Board of Directors most likely will award the contract on May 19th, 2016.
4. Working Paper Retention Requirements.
 - a. All working papers related to this audit shall be retained by the auditors for a period of three years. The school system or its representatives shall have access to those papers at a mutually convenient time. All requests for review of the working papers shall be honored within 10 working days of such request.
5. Accounting records and reports may be reviewed by contacting
 - a. Pete Orne, Business Manager.

D. Proposal Information.

1. Evaluation Criteria.
 - a. Prior relevant governmental auditing experience of the firm, including experience auditing entities of similar size and scope as RSU #13.
 - b. Reputation of the firm. Include, in this section, information on your firm's participation in quality control reviews.
 - c. Qualification and experience of the personnel that probably will be assigned to the audit team. Include in this section, information on your staff's participation in continuing professional education in government accounting and auditing during the past two years.
 - d. Ability to communicate, as needed, relevant information to RSU #13 and its communities.
 - e. Ability to schedule the audit within the established time lines.
 - f. Fee
2. The RSU #13 Board of Directors reserves the right to accept or reject any or all proposals. **The award will not necessarily be based on the lowest bid submitted.**
3. Proposed Format.
 - a. State the firm's understanding of work to be done.
 - b. Make a commitment to perform the work within the time specified.
 - c. Include any comments or exceptions to the requirements of the invitation.
 - d. Provide an all-inclusive maximum fee which shall be charged for the audit separated by each fiscal year.
 - e. Include the name, address and phone number of the firm and the contact person.
 - f. Have an authorized representative of the firm sign the proposal.
 - g. Provide a profile of your firm, to include the location of the office from which the work will be done, number and position of professional staff and range of activities performed by staff in the office that will do this audit.
 - h. Identify the individuals who will likely be assigned the audit. Describe their qualifications and experience. Resumes may be submitted in lieu of this description.
 - i. Provide the names of all school systems and governmental agencies for whom the firm has conducted financial audits during the past five years.
 - j. Any other information that you believe to be useful.

E. Contractual Information:

1. Recourse in the event of poor quality work or contract violations. The school system reserves the right in cases of poor quality work or contract violations to:
 - a. Have the area in question corrected.
 - b. Report the situation to the Maine Board of Accountancy.
 - c. Withhold a prorated portion of the payment until the area in question has been corrected.
 - d. Refer the report to the State Department of Education.
2. Provision of equal employment opportunity. A contract in excess of \$10,000 shall contain a provision for EEO.
3. Proposed provision for termination of contract.
4. The audit firm will not be reimbursed for any travel per driver, photo copying, telephone bills or other related expenses of the audit unless incurred at the specific request of the school system.
5. Payment will be made upon completion and acceptance of the audit report or on other terms acceptable to the school system.
6. The audit firm will notify the school system of any anticipated cost overruns as soon as they become known.