

REQUEST FOR PROPOSALS



INDEPENDENT AUDIT SERVICES

Respond by

Thursday, October 13, 2022

2:00 PM

City of Marcelline

Request for Proposal

Independent Audit Services

The City of Marcelline is soliciting proposals from a qualified CPA firm to provide independent audit services for three year-end fiscal periods. The City of Marcelline's fiscal year is November 1 through October 31. The audit periods will be for the periods ending October 31, 2022, 2023 and 2024.

It is the City of Marcelline's intent to procure professional auditing services through a process of:

- 1) An evaluation and comparison of past performance, appropriate references, prior experience with other municipalities and counties, and expertise related to the City's specific needs; and,
- 2) Audit approach details as to the extent of analytical procedures, statistical sampling, compliance testing, etc.; and,
- 3) The identification of other available professional services that may or may not be used by the City; and,
- 4) Price (Please separate the cost of a Single Audit in your proposal).

Specifications pertaining to the scope of the City's audit are listed below, as well as the criteria that will be used in evaluating the qualifications of the firms submitting proposals,

The audit must be in accordance with generally accepted auditing standards, the standards for financial and compliance audits contained in the "Government Auditing Standards", issued by the U.S. General Accounting Office (GAO), the U.S. Office of Management and Budget (OMB) Circular A-133, "Audits of State, Local Governments and Non-Profit Organizations", and the provisions of the Federal Single Audit Act of 1984, the Single Audit Act Amendments of 1996 (if required).

Description of the City and Records to be Audited

The City of Marcelline is a third-class city and operates under the Council/City Manager form of government. The City's population in the last Census was 2,123. The City's current 2021-2022 budget is \$7,951,425.00. The City performs its own payroll services. Payroll is processed bi-weekly for 32 full-time employees, approximately 20-25 part-time employees who work for at the year-round swimming pool and an additional four (4) part-time employees during the summer months for additional seasonal staff in the Street and Parks & Recreation departments. The City accepts credit and debit cards for payment at City Hall and online.

The City's accounting system uses Incode software from Tyler Technology and includes all activity from the general ledger, utility billing, payroll, cash collections, accounts payable and bank reconciliation.

The City received \$214,15.00 in ARPA funds in the current 2021-2022 fiscal year. The only federal funds expected to be received during the 2021-2022 fiscal year is \$5,130.00 for an OSET grant.

The City does currently has two (2) grants in process, a Missouri Department of Conservation Community Assistance Program Grant (MDC CAP) and a Land and Water Conservation Fund Grant (LWCF) through MO State Parks via the U.S. Department of the Interior. The City is in the final steps of the MDC CAP grant and expect the reimbursement of approximately \$216,257.00 (\$235,000.00 total project) to be received in the 22-23 fiscal year. The City is in the middle stages of the LWCF grant and expect to receive approximately \$147,704.00 in grant funds split between the FY 22-23 and FY 23-24 (\$296,855.00 total project).

The City is applying for three (3) MO DNR ARPA grants for the water and wastewater systems. If all three (3) are received they will equal to \$4,800,000.00 with funds to be obligated by 2024 and spent by December 2026. The City will be notified if the grants are awarded on October 14, 2022. There is a possibility that a Single Audit may be needed if all three (3) grants are awarded. The City is requesting a quoted price for a Single Audit in the event one is required before the end of the three years.

The City is enrolled with LAGERS for their employee's retirement fund. A note to the audited financial statements will need to be included per GASB 68.

The State required Addendum for the percentage of annual operating revenue from fines, bond forfeitures and court costs for municipal violations and minor traffic violations will need to be included in the Audit.

The City has sold voter approved General Obligation bonds on October 6, 2016 in the amount of \$1,055,807.75 for the new municipal swimming pool project. Lease Certificates of Participation were issued on March 7, 2017 and are financed through a voter approved ½ cent sales tax. Both of these items were refinanced within the last twelve months.

The City has a lease purchase agreement with Regional Missouri Bank in the amount of \$1,857,500.00 that was issued in 2022 for the construction of a +/- 1.6 mile power line and substation for the City's North Industrial Park. The agreement is through 2037 with the first payment in 2023 to be an interest only payment.

Assistance Available to Auditor

City Clerk Lindsay Krumpelman will be the auditor's principal contact and will coordinate the assistance to be provided by the City. The City will provide adequate work area for the auditing staff. Clerical assistance will be provided in supplying reports and documents deemed necessary for the audit upon request of the auditor. City Hall is open Monday through Friday 8 a.m. to 5:00 p.m.

Selection Process

Mayor and Council will have final approve and award the contract/engagement letter.

Audit Requirements

Required Reports of the Audit

- Twelve copies of the completed audit.
- An Electronic copy.
- Adjusting entries and work papers.
- State Financial Report.

Information to be Submitted with Proposals

I. Qualifications of the Firm

At a minimum, the statement of qualifications should address the following subjects and questions.

Personnel

Size of the firm. What are the components of the office; i.e. how many professionals are consultants, auditors, and tax personnel, and how many of each are partners, managers, seniors and staff?

Experience

What is the extent of experience of your local office personnel in auditing governmental entities, auditing municipal enterprise funds, performing “single audits?” Key personnel for the engagement should be identified and backgrounds and qualifications of personnel included. Be specific in your identification of clients served and services provided.

Quality Control

Briefly describe your firm’s quality control policies and procedures.

II. Scope of Services:

- ◆ The audit shall include an examination of the financial and other records of various activities, departments and funds for the City in accordance with the applicable generally accepted auditing standards, including the examination and testing for fraudulent or improper financial activity. The examination shall be also be made in compliance with the laws of the State of Missouri, Government Auditing Standards issued by the Comptroller General of the United States, the requirements of any Federal Agency with which the City may have a grant Program, the requirements of OMB A-133, and any other applicable requirements, including those promulgated by GAAP, NCGA, AICPA and GASB.
- ◆ Annual financial statements and audit. Preparation of notes to the financial statements and supplemental information, audit and expression of an opinion of the

City's basic financial statements. The audit firm will prepare the Comprehensive Annual Financial Report for the City.

- ◆ Single audit and grant compliance audit **if required**. Report on the audit of Federal Financial Assistance Programs compliance as required by the Single Audit Act of 1984 and the Single Audit Act Amendments of 1996. **A separate pricing schedule should be included for the Single Audit Report.**
- ◆ Annual report of comments and recommendations to management. The auditor should observe the adequacy of internal controls and efficiency. A separate letter disclosing recommendations to improve the effectiveness of operations to be provided to the City Council.
- ◆ Provision of necessary consultation and advice throughout the year to include an annual certification of the City's Payroll to the City's insurer.
- ◆ Include any other service the firm feels necessary to comply with Federal, State, or accounting standards.

Audit Approach

Clearly describe your firm's work plan to conducting the examination.

III. Timing

A time schedule should be included indicating key dates affecting the audit including when the preliminary fieldwork will begin and estimated date the final audit report will be provided. The final audit reports, financial statements and management letter must be completed and submitted to the City Clerk's office before one hundred fifty (150) days after the end of the fiscal year. The auditors will deliver twelve (12) copies of the final audit reports, financial statements and management letter. An electronic copy of the Audit will also need to be provided.

IV. Fees

Fee and payment terms for 2022, 2023, 2024:

The fee shall include audit work, preparation of the annual report, all typing, printing and binding (12 copies), and all related meetings with City officials needed to prepare and submit the report.

- ◆ The fee and payment terms for 2022, 2023, and 2024 shall be firm and binding offers. Remember to include a **separate pricing fee for the Single Audit Report in the event one is required**. The City will select and use one and the same auditor for the three years with an option to renew the agreement an additional three years.

Additional Information

Contact Lindsay Krumpelman, City Clerk at 660.376.3528 or email, lindsay.krumpelman@marcelinemo.us for answers to any questions regarding this RFQ.

Presentation of Proposals

Include in the proposal and cost, an exit conference with the City Manager and City Clerk at the conclusion of the audit and a presentation of the Audit to the Council at a regularly scheduled meeting (The third Tuesday of the month at 5:30 pm).

Include a clear identification of the material by section and page number, and clear references to all exhibits.

A bound copy and a bookmarked pdf file of the proposal should be submitted in a sealed envelope marked "Audit Proposal" and be received by the City Clerk on or before **Thursday, October 13, 2022, at 2 p.m.** The City of Marceline will open all sealed bids on **Thursday, October 13, 2022 at 2:15 pm.** Proposals may be mailed to: City of Marceline, Attn: Lindsay Krumpelman, City Clerk, 116 N Main Street USA, Marceline, MO 64658.

The City of Marceline is an Equal Opportunity Employer and encourages the submission of proposals from minority and women-owned firms. The City reserves the right to reject any and all proposals submitted and to request additional information from any or all firms. Furthermore, the professional accounting services selected will be from the firm, which, in the opinion of the Council, submits the best qualified proposals and best meets the needs and expectations of the City.