RIVER VALLEY SCHOOL DISTRICT
REQUEST FOR PROPOSALS
AUDIT SERVICES

The **River Valley School District** is requesting proposals from licensed certified public accounting firms to serve as its auditor for fiscal years ending **June 30, 2017, June 30, 2018, and June 30, 2019.**

A. AUDIT SCOPE

The auditor shall conduct an examination, in accordance with Wisconsin Administrative Code PI 14.03, of the annual financial statements of all funds of the District for the period from **July 1, 2016, to June 30, 2019, inclusive.**

The auditor's examination shall be made in accordance with the following:

1. The audit shall be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the *Government Auditing Standards*, issued by the Comptroller General of the United States; *Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments and Non Profit Organizations;* and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration.

2. Financial statements presented in the auditor's report shall comply with generally accepted accounting principles and conform to the accounting system prescribed by the Department of Public Instruction.

3. An onsite audit of the District's elementary, middle school and high school activity fund's statement of receipts, disbursements and fund balances (cash basis) is required. If any weaknesses are noted, appropriate recommendations should be reviewed with the Business Manager.

4. A membership audit of the third Friday of September and the second Friday in January Membership Reports, if required by the Department of Public Instruction.

5. The auditor shall express an opinion on the financial statements of all funds covered in the scope of this engagement. If the auditor is unable to express an unqualified opinion, the auditor shall state fully the reasons for qualifications or disclaimer of opinion. The District recognizes it has the responsibility to correct any deficiency that results in a qualification or disclaimer of opinion.

6. Implicit in the auditor's expression of an unqualified opinion on financial statements is the auditor's representation of independence with respect to those statements.

7. Provide unlimited consultation during the year.

B. TIMING, LOCATION, AND CONDUCT OF AUDIT WORK

1. The District recognizes that its appropriate officers have the responsibility for the proper recording of transactions in the books of account, for the safeguarding of assets, and for the substantial accuracy of the financial statements. These District officers have the responsibility to close and balance all accounts and to have prepared financial documents for all funds to be examined by the auditor.

2. The District, expects to receive prior to June 1st of each year, a list of schedules to be prepared and other items required for the audit. Pre-closing, interim, tests and procedures shall be conducted at a mutually agreeable time.

3. The audit shall be conducted on District premises, and the District shall provide space deemed adequate by the auditor to conduct the examination efficiently.

4. The auditor shall observe the adequacy of the systems of internal control for all funds of the District, including those concerned with maintaining compliance with finance-related legal provisions. If material weaknesses are noted, appropriate recommendations will be reviewed with the appropriate administrator and then included in a separate letter to the District's School Board.

5. Audit work papers and reports shall be retained for a minimum of five years from the date of the audit report, unless the auditor is noted in writing by the Department of Public Instruction or the United States Department of Education to extend the retention period. The District authorizes the auditor to respond directly to inquiries from the Department of Public Instruction or the United States Department of Education, including requests to review audit work papers. The auditor shall notify the School Board of any such inquiries or requests and of the auditor's reply thereto.

6. The financial audit reports must be submitted to the District no later than December 1st of each year. The financial Audit Statement must be submitted to the Department of Public Instruction by the required due date.

7. The auditor will present the financial statement and management letter at a meeting of the School Board as requested.

C. REPORTS

The auditor shall submit to the District's School Board the following reports for the years ending **June 30, 2017, June 30, 2018, and June 30, 2019,** with copies of each for transmittal to the Department of Public Instruction and other agencies as required:

1. Department of Public Instruction form PI 1506 AC internet filing and audit statements

2. Independent Auditors Report on financial statements of the governmental activities, each major fund, and the aggregate remaining fund information

3. Independent Auditor's Report on Compliance and Internal Controls over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

4. Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with *OMB Circular A-133* and the *State Single Audit Guidelines*

5. Current Year Findings and Questioned Costs

6. Status of Prior Year Findings and Questioned Cost

7. A management letter, with appropriate recommendations, commenting on material weaknesses in internal accounting control, reportable conditions, and identifying possible noncompliance with finance related legal provisions

8. Student Activity Funds Audit Report

9. State Aid Membership audit reports as required by the Department of Public Instruction.

10. Irregularities and illegal acts. Auditors are required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the following parties:
    a. Superintendent of Schools
    b. Business Manager
    c. Board President

In the required report(s) on internal controls, the auditor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize, and report financial statement. In addition, the following conditions shall be considered reportable:

- Reportable conditions that are also material weaknesses shall be identified as such in the report
- Non-reportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the report(s) on internal controls
- The report on compliance shall include all material instances of noncompliance. All nonmaterial instances of noncompliance shall be reported in a separate management letter, which shall be referred to in the report on compliance

A minimum of 5 printed copies of each audit report is required as well as an electronic copy of each report.

D. GENERAL INFORMATION ABOUT THE RIVER VALLEY SCHOOL DISTRICT

1. The River Valley School District is located in Spring Green, Sauk County, in southcentral Wisconsin. The District has an area of approximately 300 square miles and includes all or portions of seventeen (17) taxing districts in four counties, Dane, Iowa, Richland and Sauk. The School District operates the community recreation programs (Fund 80).

   1 High School
   1 Middle School
   4 Elementary Schools

   2016-17 Third Friday in September Enrollment: 1,306

   2016-2017 Budgeted Expenditures

General Fund	$15,696,039
Special Revenue	28,266
Special Education	2,913,715
Non-Referendum Debt	172,723
Referendum Debt	0
Capital Projects	0
Food Service Fund	609,247
Private Trust Fund	11,200
Community Service Fund	100,000
Cesa Consortium (Teach Grant)	14,000
Total Expenditures	**$19,545,190**

2. The River Valley School District uses the modified accrual accounting system designed by the Department of Public Instruction and detailed in the Wisconsin Uniform Financial Accounting Requirements (WUFAR). The District uses "Skyward PaC" financial software for payroll and the general ledger and "Skyward PaC" for student management.

3. The Business Office personnel consist of the Business Manager, Human Resources Specialist and Accounts Payable Clerk. The District Administrator and a Confidential District Administrator Assistant are also located in this Central Office.

E. PROPOSAL FORMAT

In order to simplify the review process and to obtain the maximum degree of comparability, proposals shall be organized in the manner specified by the Request for Audit Proposals and in the following format:

1. **Title Page** – The name of the firm, local address, telephone number, name of the contact person, and the date.

2. **Table of Contents** – Include a clear identification of the material by section and by page number.

3. **Letter of Transmittal** – Limit to one or two pages.

    a. A signed letter of transmittal briefly stating the firm's understanding of the work to be done, the commitment to perform the work within the time period, a statement of why the firm believes itself to be the best qualified to perform the engagement.

    b. Give the names of the persons who will be authorized to make representation for the audit firms, their titles, addresses, and telephone numbers.

    c. Submit a task/activity plan. The plan must specify budgeted hours, timeliness, and sequences for the audit.

4. **Profile of the Audit Firm**

    a. Give the location of the office from which the work is to be completed and the number of partners, managers, supervisors, and other professional staff employed at that office.

    b. Describe the range of activities performed by the local office such as audit, accounting, tax service, or management services.

5. **Summary of the Firm's Qualifications**

   a. Identify the supervisors who will work on the audit, including staff housed outside of the local office. Indicate the experience of each as it applies to audits of this type.

   b. Describe recent local and regional office auditing experience similar to the type of audit requested. Provide a list of clients as references, including school-related experience. References must include name of firm or school district, address, contact person, telephone number, scope of work performed, and date of work performed.

6. **Compensation** – Estimate the audit cost including the estimated out-of-pocket costs, and the resulting all-inclusive maximum fee per year for which the requested work will be done. Also include the hourly rate to be charged for additional services that may be requested during the course of the year. Use the attached Bid Summary form to state the fee amounts.

F. COMPENSATION AND TERMS OF PAYMENT

1. Fees will be based on time required by the individuals assigned by the auditor, plus direct expenses. Individual hourly rates vary according to the degree of responsibility involved and the skill required.

2. A certified public accountant is to be in charge of all work to be performed by the auditor. He/She should be responsible for all aspects of this engagement.

3. Should unforeseen difficulties be encountered during the course of the examination, which would require additional work, an estimate of the cost of such additional work shall be brought to the Business Manager's attention prior to the performance thereof.

4. List the membership audit fee separately from the regular audit.

5. The auditor may submit bills as work progresses and as expenses are incurred.

G. EVALUATION PROCEDURE

The District will evaluate the proposals on the basis of qualifications, relevant experience, and responsiveness of the auditors, as well as the cost of the contract. The evaluation procedure may include interviews with some or all firms submitting proposals before final selection.

GENERAL PROPOSALS CONDITIONS

1. All proposals are to be submitted according to this proposal.

2. All proposals must be submitted prior to 1:00 p.m. on February 24, 2017, in sealed envelopes marked "Audit Proposal" addressed to:

   Jon Novak, Business Manager
   River Valley School District
   660 W Daley St.
   Spring Green, WI 53588

3. No proposal may be withdrawn for a period of sixty days from the date of receipt.

4. The Board reserves the right to accept or reject any or all proposals and to waive any informality in the proposal process. Furthermore, we reserve the right to select the proposal considered to be in the best interest of the School District and to negotiate any modifications to the proposal deemed appropriate.

5. All proposals are to be signed by an authorized representative of the firm.

6. Anticipated date of School Board acceptance of the contract is March 9, 2017.

7. Questions or requests for additional information should be addressed to:

   Jon Novak, Business Manager
   jnovak@rvschools.org
   (608) 588-2551

RIVER VALLEY SCHOOL DISTRICT
Request for Proposal – Audit of Financial Records

BID SUMMARY
AUDIT FEE PROPOSAL FOR JUNE 30, 2017, 2018, 2019

We, the undersigned, hereby submit our proposal for the audit of the River Valley School District, all in accordance with the specifications, for the following fees, including all out-of-pocket expense that we incur, but not to exceed:

State the **maximum fee** for each of the following audits:

TYPE OF AUDIT		**Fee Amount 2016-17**	**Fee Amount 2017-18**	**Fee Amount 2018-19**
1.	**Financial audit per specifications, including School activity funds, to meet all State and Federal requirements**	$	$	$
2.	**Single Audit**	$	$	$
3.	**Membership audit if required by the Dept. of Public Instruction**			
	TOTAL AUDIT COST	**$**	**$**	
Hourly rate for requested services		$	$	$

SUBMITTED BY:

Name of Firm

Address of Firm

Authorized Signature of Firm

City/State/Zip

Date

Telephone Number