

**LAKE SUPERIOR SCHOOL DISTRICT #381
TWO HARBORS, MINNESOTA**

**REQUEST FOR PROPOSALS
FINANCIAL AUDITING SERVICES**

Lake Superior School District #381 is requesting proposals for the performance of the annual financial audit for the fiscal year ending June 30, 2019. Additional information and forms necessary for submitting a proposal are enclosed.

In order to be considered, proposals must be received in the District Office no later than 4:00p.m. on April 11, 2019. Proposals should be submitted in a sealed envelope labeled "Audit Services Proposal" and addressed to:

Sara Girard, Business Manager
Lake Superior School District #381
1640 Hwy 2
Two Harbors, MN 55616

Any questions should be directed to Sara Girard, Business Manager, in writing at the above address, via email at sgirard@isd381.org, or by telephone at 218-834-8201 ext. 8219.

The district reserves the right to reject any or all proposals, and further reserves the right to award the contract in the best interests of the District. An interview process may be used to determine the best proposal.

**LAKE SUPERIOR SCHOOL DISTRICT #381
TWO HARBORS, MINNESOTA**

**DISTRICT INFORMATION AND
SPECIFICATIONS FOR FINANCIAL AUDITING SERVICES**

The following information and specifications are to be considered by auditing firms interested in and capable of providing financial auditing services to ISD #381. These guidelines are not intended to include all state and federal requirements for financial audits of public schools. The financial audit report must conform to current standards.

A. GENERAL SCHOOL DISTRICT DATA

1. The District maintains the following funds and account groups:

FUND	FY19 EXPENDITURE BUDGET
General Fund	\$18,214,495
Food Service Fund	628,302
Community Service Fund	674,601
Debt Service Fund	2,896,626
Scholarships Fund	22,200
OPEB Irrevocable Trust Fund	419,666
OPEB Debt Service Fund	717,855
TOTAL	\$23,573,745

2. The District has a student enrollment of approximately 1,370 for the 2018-19 school year.

3. The District will receive more than \$700,000 in Federal Awards for 2018-19; a single audit is required.

4. The District uses SMART software for processing financial and payroll data.

5. The District will have common audit documents available and will provide staff to locate additional documentation selected by your firm for testing.

B. SERVICES TO BE PROVIDED

1. The auditing firm will provide an audit conducted in accordance with generally accepted auditing standards; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the latest Single Audit Act Amendments; and the provisions of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and will include tests of the accounting records of Independent School District #1, a determination of major program(s) in accordance with OMB Circular A-133, and other procedures necessary to express an unqualified opinion that the financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on ISD #381 compliance with laws and regulations and its internal controls as required.

2. The auditors shall make specific comments and recommendations with regard to the following:
 - a. Conformity with procedures prescribed by statute.
 - b. Conformity with accepted UFARS accounting requirements.
 - c. Defects in the accounting plan or financial procedures that make proper accounting and auditing difficult.
 - d. Actions to effect improvements in problem areas noted in the audit.
 - e. Identification and explanation of issues or questions needing further study and consideration by the auditors and/or others.
3. If circumstances disclosed by the audit call for more detailed investigations than would be necessary under ordinary circumstances, such circumstances will be called to the attention of the District authorities before proceeding further with the investigation.
4. The District's unaudited financial data will be submitted to the Minnesota Department of Education by September 30, based on calculations and adjustments prepared by District staff at that time. Fieldwork can be scheduled to occur any time before that date, upon coordination with District staff, but should be completed by October 31. The audit report shall be presented to the School Board at a regularly scheduled Board Meeting in November or December. The Auditor shall provide the District with ten (10) bound copies and one camera-ready copy of the completed audit report.
5. The audit report shall be addressed to the School Board of Lake Superior School District #381.
6. The auditing firm should be readily available to provide occasional and casual advisory services during the fiscal year as part of the proposed fee. If such advisory services were to require significant research or visits to the District for consultation, the auditing firm may charge for such extended services at a predetermined hourly rate, which shall be part of the firm's original proposal, plus actual expenses incurred.

C. AUDITING SERVICES PROPOSALS

1. To be considered for selection, an auditing firm shall propose an annual fee covering services for the fiscal year ending June 30, 2019. The fees proposed shall include the charges for professional services as well as charges for travel, duplication costs, or any other costs associated with the audit and related reporting.
2. The auditing firm shall furnish the following information:
 - a. Number of years of experience in auditing public school districts in Minnesota.
 - b. List of references and contacts for public school districts or similar organizations that the auditing firm has performed financial audits for during the past three years.
 - c. Sample audit report showing the data and format of the completed audit report.
 - d. Sample of the proposed contract to be used for auditing services.

D. TERM

1. Upon mutual agreement of both parties, the term of this agreement can be renewed for a total of five (5) years, through 2022-2023 school year. Either party can opt out of the agreement after the completion of the 2018-2019 audit. Both parties must indicate their intent to continue the agreement on or before February 28th prior to the end of fiscal year.

**Lake Superior School District
ISD #381
Two Harbors, MN**

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RESPONSE FORM

Proposals Due:

April 11, 2019, 4:00 p.m. in a sealed envelope labeled "Audit Services Proposal" at the District Office of Lake Superior School District, Attention: Business Manager Sara Girard, 1640 Hwy 2, Two Harbors, MN 55616.

Proposal Submitted by:

Firm Name: _____

Representative Name: _____

Address: _____

City: _____

Telephone Number: _____

Proposal for 2018-2019 financial audit for ISD #381 \$ _____
(including all fees and costs associated with the audit of all funds)

Proposal (hourly rate) for additional advisory services \$ _____

Signature _____ Date _____