

Line Mountain School District
Request for Proposals for Audit Services

The Line Mountain School District is accepting sealed proposals for Audit Services in accordance with the following conditions and specifications.

- 1 Sealed proposals for furnishing the Line Mountain School District with Audit Services shall be received by Mrs. Kaitlin M. Rosselli, Business Manager, 185 Line Mountain Road Herndon, PA 17830 on or before **3:00 p.m., January 17, 2025** and plainly marked on the envelope "**Audit Services RFP**".
- 2 Line Mountain School District reserves the right to waive any or all technicalities in the RFP. Proposers will guarantee their RFP price will remain firm for 90 days from date of RFP due date.
- 3 Line Mountain School District reserves for itself the right to accept or reject any or all proposals and to determine for itself what shall be acceptable as equals.
- 4 Failure to complete and return the enclosed Non-Collusion affidavit with your proposal will result in disqualification.
- 5 If there are any questions concerning item description, quantity, or other aspects of these specifications, please call Kaitlin M. Rosselli at (570) 758-2645.

REQUEST FOR PROPOSAL FOR AUDIT SERVICES

Document Purpose

The purpose of this request for proposal is to provide interested audit firms with sufficient information to enable them to prepare and submit proposals (i.e., quotations) for consideration by Line Mountain School District for auditing services for the school district fiscal years: 2023-24, 2024-25, 2025-26. The Audit Firm will need to supply audit statements in compliance with applicable GASB standards, including, but not limited to GASB 34. The work shall satisfy all federal, state and local requirements for an annual Single/financial statement audit.

District Contact

The point of contact with Line Mountain School District is Mrs. Kaitlin M. Rosselli, Business Manager, 185 Line Mountain Road Herndon, PA 17830, 570-758-2645.

Incurred Proposal Costs

The school district is not liable for any cost incurred by audit firms prior to the issuance of an agreement or contract.

GASB Compliance

Response Date for Proposals

In order to be considered for selection, Audit Firm proposals for auditing services must be received in a sealed envelope clearly marked "Audit Services RFP" at the Line Mountain School District, 185 Line Mountain Road Herndon, PA 17830, on or before 3:00 p.m., January 17, 2025 and plainly marked on the envelope "Audit Services RFP". Proposals received after this time will not be considered.

Qualifications

The auditors assigned to perform the audit must collectively possess adequate professional proficiency for the task required. The Commonwealth of Pennsylvania has defined qualified auditors to perform Single Audits to be Certified Public Accountants (CPA) or Public Accountants (PA) who are: (1) Registered under Act 140 P.L. 318, May 26 1947, entitled "The CPA Law", as amended by Act 286, P.L. 1280, dated December 8, 1976; and (2) conforming to the independence requirements and professional standards promulgated by *Government Auditing Standards*, issued by the Comptroller General of the United States.

Partnership

The successful audit firm will understand the importance of partnership. The successful audit firm should demonstrate a commitment to ongoing client education, before, during and after the audit. It is expected that the audit firm will make themselves available for answering accounting questions from the Line Mountain School District and providing accounting advice, as needed.

Informality of Bid and Acceptance, Rejection or Selection of Quotation

The School District reserves the right to accept or reject any or all proposals, to waive any informalities or irregularities in the proposals, and to accept that proposal which is in the best interest of the School District. All pricing must be held for 90 days. The District reserves the right to negotiate terms and conditions.

Acceptance by the District

The Line Mountain School District School Board will consider the auditing proposals at a regularly scheduled meeting following the due date of this request for quotation.

In determining the award to the proposing audit firms, the following will be considered:

- 1 Evidence in proposal that the submitting firm clearly understands the scope of the audit services to be performed.
- 2 Technical experience of the firm.
- 3 Qualifications of the audit staff.
- 4 Size and structure of the firm.
- 5 Costs quoted to perform the specified audit services.
- 6 Relevant References

Execution of this "Request for Proposal"

This "Request for Proposal" shall be executed as follows:

- 1 As an individual auditor (he/she shall sign the proposal personally).
- 2 As a partnership or corporation signed in the name of the firm by a partner.

Audit Proposal Instructions

General Scope of Work

The audit will cover all programs of the School District including but not limited to the general fund, food service fund, student activity funds, scholarship funds, capital reserve fund, debt service fund, construction funds and Federal programs. All final statements must be prepared by the audit firm in compliance with the national standards of the Association of School Business Officials and Government Finance Officers Association Certificate for Excellence in Financial Reporting.

Non-Federal Programs Scope of Work

The audit will encompass a financial and internal control audit of the financial records and systems of the school district for the school year ending June 30th. The audit report must give an opinion on the fair presentation of the district's basic financial statements in accordance with generally accepted accounting principles and must include a review of the internal controls of the school district's accounting systems which may include a review of the following:

- Board Minutes
- Verification of receipts
- Expenditures
- Journal entries
- Budget transfers
- Payroll system
- Verifications of assets and liabilities
- Reconciliation of bank statements and investments
- Subsidiary records including insurance

The audit firm shall provide to the school district a Management Letter listing recommendations for improvements in school district procedures. The Management Letter will include specific reasons why the audit firm is suggesting changes to the district procedures. The Management Letter will incorporate the District's response, if applicable.

The audit firm shall provide to the Board of School Directors a certified audit of the school district's financial records encompassing all funds, including the Food Service Fund and the Student Activities Fund. The district business manager shall determine the number of bound copies of the report that the audit firm shall provide. An electronic form of the final documents as PDF files are also required to be delivered with the final document. The basic financial statements must include (or their successors, as determined by GASB):

- Statement of Net Position
- Statement of Activities
- Balance Sheet – Governmental Funds
- Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
- Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds
- Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities
- Statement of Net Position – Proprietary Fund
- Statement of Revenues, Expenses and Changes in Net Position – Proprietary Fund

- Statement of Cash Flows – Proprietary Fund
- Statement of Fiduciary Net Position – Fiduciary Funds
- Statement of Changes in Fiduciary Net Position – Fiduciary Funds
- Notes to Financial Statements
- Required Supplementary Information

Federal Programs Scope of Work

The audit will also encompass a financial and compliance audit as outlined in the Single Audit Act of 1984. For a review of each program’s compliance, the Audit Firm will use the Compliance Supplement for Single Audits of State and Local Governments, and AICPA Audit and Accounting Guide for Audits of State and Local Governmental Units, and the PDE Audit Guidelines for Single Audit. As required, the Audit Firm shall design its own procedures to supplement existing audit steps in order to form an opinion.

In addition to the audit guides, the Audit Firm shall apply its own audit standards and procedures and those developed by the American Institute of Certified Public Accountants (AICPA), “Generally Accepted Auditing Standards”, and (Statement of Auditing Standards (SAS) Number 1. Codification of Auditing Standards and Procedures), those developed by *Government Auditing Standards*, OMB Circular A-133, and Uniform Guidance.

Federal Programs Opinion

The Audit Firm shall perform sufficient work to issue a report and render an opinion. All audit work, which can be performed on existing records, must be completed in accordance with the pertinent audit guides. Findings shall be made, costs questioned or recommended for disallowance, corrective measures recommended, and a report issued. All reports shall contain the appropriate Opinion or Disclaimer of Opinion in accordance with AICPA Audits of States and Local Governments.

Single Audit Report Package

The Single Audit Report Package shall contain a Table of Contents indicating the following sections by page number. All pages must be numbered.

- Independent Auditor’s Report
- Management’s Discussion and Analysis
- Basic Financial Statements, Including Government-Wide Financial Statements, Fund Financial Statements, and Notes to Financial Statements.
- Required Supplementary Information
- Schedule of Expenditures of Federal Awards and Certain State Grants and Notes
- Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
- Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance
- Schedule of Findings and Questioned Costs
- List of Report Distribution

The Audit Firm shall also provide separately their Management Letter, which may include recommendations and suggestions for changes and improvements in school district operations.

Retention of Audit Working Papers

The Audit Firm shall retain work papers and reports for a minimum of six (6) years from the date of the audit report. An appropriate Federal or State Agency or the school district must make audit work papers available upon a request.

Access to Audit Working Papers

The school district and any appropriate Federal or State Agency shall have free and unrestricted access to the work papers, records, other supportive documentation, and reports prepared, or in the process of being prepared, in connection with the audits performed under this proposal. Free and unrestricted access to and the right to require submittal of the documentation to school district or appropriate agency shall exist during the contract term and shall continue for six (6) years from the date of submission of the final invoice or until litigation, audit or claim has been fully resolved, if later.

Time Limit of Audit

The Audit Firm shall execute and complete the annual audit between July 1st and October 15th of the subsequent fiscal year, such that those fund level statements and schedules necessary to file the Annual Financial Report to the Commonwealth of Pennsylvania are available and will be submitted by October 31st. The complete set of reports must be provided to the District electronically (PDF) and in bound form no later than December 10 of the following fiscal year.

Cost and Pricing Data

Proposals must be for a total amount for the audit of both Non-Federal and Federal Programs, as well as providing accounting information to the School District throughout the year.

Unacceptable Work

If the Audit Firm's audit reports are determined to be unacceptable by the school district the Audit Firm may, by written request, be required to re-audit at its own expense and submit a revised acceptable audit report. The school district has the right to reject the Auditor's audit report for one (1) year after the school district has submitted the audit report to State and Federal agencies. If the Audit Firm fails to comply with any of the terms of this proposal, the school district may terminate this contract.

Audit Report Distribution

The Audit Firm shall file on behalf of the school district the Annual Auditor's Report to the Commonwealth of Pennsylvania, the Bureau of Census and required Federal agencies. The Audit Firm shall provide assistance to the school district in completing the Annual Financial Report that must be filed by the district with the Commonwealth.

Fraud and Illegal Acts

If, during the course of the examination, the auditors uncover indications of possible fraud or other illegal acts, the auditors shall immediately notify the officers of the Board of School Directors and appropriate State and Federal agencies in writing. The auditors shall perform sufficient fieldwork to be able to clearly describe and document the situation.

Advisory Assistance

The Audit Firm shall be available to provide advisory assistance to school district administration

throughout the fiscal year including but not limited to general tax and accounting questions, and assistance with audits of State and Federal agencies. This assistance will be provided at no extra cost. The school district will maintain its financial records and the Audit Firm will advise as may be necessary to enable the school district to comply with the requirements of regulatory agencies.

The Audit Firm will provide year-end adjusting journal entries to district business staff, assist in reconciling accounts as needed and assist in the preparation of year-end financial statements and Annual Financial Report as needed.

Information Requested

In order to facilitate a uniform audit proposal review process and maximize comparability, it is required that the audit firms submitting proposals organize their proposal in the following manner:

- 1 Title Page – State that the document is a “Proposal for Audit Services” and list the following: date, audit firm name, local address, telephone number, and contact person.
- 2 Table of Contents – Identify the contents by section and page number.
- 3 Letter of Transmittal (Limit to one or two pages) – Briefly state the proposer’s understanding of the work to be done and make a positive commitment to perform the work within the required time period.
- 4 Profile of the Audit Firm – State whether your audit organization is national, regional or local. Indicate the number and level of people from the closest office that will perform the audit. Provide a reference list of public school district audit clients indicating the type of service performed, years of engagement, contact person and phone number. (Limit to five most relevant references)
- 5 Describe your firm’s approach to the audit including at least the following:
 - a. Type of audit program used.
 - b. Use of statistical sampling.
 - c. Use of computer audit specialists.
 - d. Organization of audit team and approximate time to be spent on the audit.
 - e. Provide a sample “management letter.”
 - f. Provide a sample of a “district information or records request list”.
 - g. Provide a tentative audit activity schedule for the next school year’s audit.
- 6 Auditors Experience Summary – Describe the public school audit experience of employees to be assigned to the audit. Include position level held while on each audit. Indicate the time each auditor will be onsite.

Name of Audit Firm:
Address:
Contact Person:
Telephone Number:
Email:

(Return this page as Page 1 of your Auditing Services Proposal)

FIRST, the undersigned have carefully examined the Request for Proposal for Auditing Services in accordance with the specifications of the proposal submit this proposal and agree to furnish and perform the specified audit services for the school district within the time limits specified for the amounts indicated below.

SECOND, the undersigned agree to enter into a written contract to furnish such materials and services as required in the proposal specifications.

THIRD, the following quotation prices are listed as firm for a period of ninety (90) days after the due date of this request for proposal.

FOURTH, no plea of mistake for this proposal shall be made available to the undersigned audit firm. No proposal may be withdrawn before ninety (90) days from the due date of this proposal.

FIFTH, the audit firm agrees to do the auditing services for the amounts quoted as follows:

Auditing services for 2023-2024	\$ _____
Auditing services for 2024-2025	\$ _____
Auditing services for 2025-2026	\$ _____

Signature _____

Date _____

Title or Office _____

INSTRUCTIONS FOR NON-COLLUSION AFFIDAVIT

- 1 This Non-Collusion Affidavit is material to any contract awarded pursuant to this proposal.
- 2 This Non-Collusion Affidavit must be executed by the member, officer or employee of the proposer who makes the final decision on prices and the amount quoted in the proposal.
- 3 Bid rigging and other efforts to restraint competition, and the making of false sworn statements in connection with the submission of bids are unlawful and may be subject to criminal prosecution. The person who signs the affidavit should examine it carefully before signing and assure himself or herself that each statement is true and accurate, making diligent inquiry, as necessary, of all other persons employed by or associated with the proposer with responsibilities for the preparation, approval or submissions of the proposal.
- 4 In the case of a proposal submitted by a joint venture, each party to the venture must be identified in the proposal documents, and an affidavit must be submitted separately on behalf of each party.
- 5 The term "complementary bid" as used in the Affidavit has the meaning commonly associated with that term in the proposal process, and includes the knowing submission of proposals higher than the proposal of another firm, any intentionally high or noncompetitive proposal, and any other form of proposal submitted for the purpose of giving a false appearance of competition.
- 6 Failure to file an Affidavit in compliance with these instructions will result in disqualification of the proposal.

NON-COLLUSION AFFIDAVIT

State of _____

County of _____

I state that I am _____ of _____
(Title) (Name of Company)

and that I am authorized to make this affidavit on behalf of my firm, and its owners, directors, and officers, I am the person responsible in my firm for the price(s) and the amount of this proposal.

I state that:

- 1 The price(s) and amount of this proposal have been arrived at independently and without consultation, communication or agreement with any other contractor, proposer or potential proposer.
- 2 Neither the price(s) nor the amount of this proposal, and neither the approximate price(s) nor the approximate amount of this proposal, have been disclosed to any other firm or person who is a proposer or potential proposer, and they will not be disclosed before the proposal opening.
- 3 No attempt has been made or will be made to induce any firm or person to refrain from proposing on this proposal.
- 4 The proposal of my firm is made in good faith and not pursuant to any agreement or discussion with or inducement from, any firm or person to submit a complementary or other noncompetitive proposal.

5 _____, its affiliates,
(Name of Company)
subsidiaries, officers, directors and employees are not currently under investigation by any governmental agency and have not in the last ten years been convicted or found liable for any act prohibited by State or Federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding on any public contract, except as follows:

I state that _____ understands and
(Name of Company)

acknowledges that the above representations are material and important and will be relied on by the Line Mountain School District when recommending for award the contract(s) for which this proposal is submitted, I understand, and my firm understands that any misstatement in this affidavit is and shall be treated as fraudulent concealment from the Line Mountain School District of the true facts relating to the submission of proposals for this contract.

Print Name of Authorized Person and Company Position

Signature of Authorized Person

Sworn to and subscribed before me this _____ day of _____, 20____

_____ My commission expires _____

Notary Public