

Request for Proposal: Professional Auditing Services

PURPOSE OF REQUEST

The Town of La Pointe, Wisconsin (Town) is requesting proposals for the purpose of retaining a Certified Public Accounting firm (Firm) to audit the Town's financial records for the fiscal year ending December 31, 2020 with the option of extending the contract at the mutual agreement of the Town and the firm. The Town is interested in a firm who is familiar with Wisconsin municipal activities and accounting. All detailed information needs are outlined in subsequent sections of this request for proposal (RFP). The term of the contract with the successful Firm shall commence no later than **May 10th, 2021**. The town's current accounting firm is no longer providing municipal auditing services but has agreed to file the 2020 Form CT and do some audit prep.

This RFP seeks professional services and statutory bidding laws do not apply.

INSTRUCTIONS TO AUDITING FIRMS

1. All submissions must be addressed and mailed or delivered to:

Town of La Pointe
Micaela Montagne - Clerk
240 Big Bay Road, PO Box 270, La Pointe, WI 54850-0270
clerk@townoflapointewi.gov
715-747-6913
715-747-6654 fax

2. All proposals must be in writing and must be in a sealed envelope and clearly marked in the lower left corner "*Auditing Services*". **All proposals must be received by 4:00 p.m. on Tuesday, April 27th, 2021. Proposals received after that date and time will be rejected.** Proposals will be opened publicly at the **April 27th, 2021** Town Board Meeting @ 5:30 pm.
3. One (1) original of the proposal must be provided.
4. The Clerk will notify the Firm selected on **Wednesday, April 28th, 2021**. If interviews are required prior to selection, your firm will be notified.
5. This request for proposal does not commit the Town to award a contract, to pay any costs incurred in the preparation of a submittal to this request or to procure or contract for services or supplies.
6. No official or employee of the Town shall have any financial interest, whether direct or indirect, in the contract.
7. Amendment of proposals may be done as follows:
 - A. **By the Town:** Proposals may be amended by the Town in response to the need for further clarification, specifications and/or requirement changes, new opening date, etc.
 - B. **By the Firm:** Proposals may only be amended after receipt by the Town by submitting a later dated proposal that specifically states that it is amending an earlier proposal. No proposal may be amended after the opening dates unless requested by the Town.

DESCRIPTION OF ENTITY TO BE AUDITED

The Town of La Pointe is in Ashland County, on Madeline Island, in the Apostle Island, in northern Wisconsin and has a population of 269, with up to an estimated population of 3,500 during the summer (seasonal summer residents and tourists). The town was established in 1835 and adopted village Powers in 1972. A five-person elected two year term board, a Town Chair and four supervisors with an elected clerk and an elected treasurer (both part-time positions). The Town has an appointed Town Administrator as well as a clerical staff, consisting of the Accounting Administrator and the Clerical Assistant, all three are full-time.

The Town provides a wide range of services:

- Full-time police department (partially subsidized by Ashland County);
- Compensated Volunteer Fire Department;
- Compensated Volunteer Ambulance Service
- Public works activities such as road and street maintenance (and the Ashland County Highway H as contracted by Ashland County Highway Department) docks/harbor;
- Parks department with several parks, including a campground;
- Planning commission, with zoning and zoning enforcement provided for Ashland County;
- Property assessment (contracted);
- Public Library (overseen by the Madeline Island Public Library Board);
- Materials Recovery Facility (MRF)
- General and financial administration.
- The Town is in a collaborative agreement with the Bayfield School and Madeline Island Ferry Lines for providing winter transportation services.
- Revenues from mostly from tax levy, State grants and funding, campground fees, MRF disposal fees and subsidies from Ashland County for the Town providing police, road maintenance and zoning services.
- Fairly large debt service, the latest debts taken on for the Town Dock Improvement Project and the re-building of the Emergency Services Building (the Town suffered a catastrophic fire on March 6th, 2019 when the entire Emergency Services Building burnt to the ground). The Town is still in the process of rebuilding these emergency services.

The Town's overall payroll for 2020 was \$1,066,700. Approximately 80 people are on the payroll, including elected officials, board/commission members, election workers, seasonal and compensated volunteers. The Town is a member of the Wisconsin Retirement System and offers some employee benefits through the State of Wisconsin Department of Employee Trust Funds as well as from other vendors.

DESCRIPTION OF RECORDS TO BE AUDITED

The Town's 2020 adopted original budget of approximately \$9.0 million included \$3.9 million for the construction of the new Emergency Services Building and \$1.8 million for the Town Dock improvement Project.

A summary of the 2020 Approved Revenue & Expenditures:

Taxes	\$1,968,902
Intergovernmental Revenues	\$1,445,749
Licenses & Permits	\$ 34,747
Fines & Forfeitures	\$ 4,175
Public Charges	\$ 360,417
Intergovernmental Charges	\$ 177,336
Misc. Revenues	\$ 117,556
Other Financing	\$4,928,849
TOTAL REVENUES:	\$9,037,731
General Government	\$ 566,832
Public Safety	\$ 614,029
Public Works	\$ 816,606
Health & Human Services	\$ 36,187
Culture & Recreation	\$ 419,814
Conservation Development	\$ 44,645
Capital Outlay	\$6,027,869
Debt Service	\$ 467,119
Other Finance Uses	\$ 44,632
TOTAL EXPENDITURES	\$9,037,733

Funds to be analyzed:

- Governmental Funds
- Fiduciary Funds

The Town currently does not have any proprietary funds.

The Town uses a double entry accounting system with Town Hall Software accounting software. The Town contracted with Oasis Advantage (now known as Oasis/Paychex) for payroll processing, tax payments & reporting starting July 2019. Vendor accounts are paid by check or ACH when required.

The Town operates on a calendar year.

BASIS OF ACCOUNTING

The Town presents its financial statements on a cash basis of accounting. Revenues and expenses and their related assets, liabilities and deferred inflows and outflows are recorded when they result from cash transactions or events, except for certain modifications such as recording accrued tax roll and tax roll collections in the government-wide financials and in the fund financial statements. As a result, certain liabilities and their related expenses are not recorded in the current financial statements.

SCOPE OF AUDIT

The audit shall cover the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of La Pointe, Wisconsin as of and for the year ending December 31, 2020 and related notes to the financial statements, which collectively comprise the Town's basic financial statements. The audit shall be conducted in accordance with auditing standards generally accepted in the United States of America, American Institute of Certified Public Accountants Industry Audit Guide, and Audits of State and Local Government Units.

The Firm will also be responsible for preparing all financial statements, schedules and associated notes. The audit shall include an annual examination of the Town's financial statements for the year ending December 31, 2020 with an option to extend services.

The Town presently does not anticipate the need for a single audit through the term of this contract nor is this a statutory required audit. Should the Town receive federal and/or state financial assistance that would require a single audit to be performed, the Town will negotiate the necessary fees with the Firm.

In addition to the above, the Firm will:

1. Prepare and publish a SAS 114 and SAS 115 letter, Communications to those charged with governance and management, which includes findings and recommendations affecting financial statements, internal controls, accounting systems and procedures, legality of actions and any other material matters.
2. If necessary, prepare an annual single audit report and express an opinion thereon, for the years ending December 31, 2020 as required by the Federal Office of Management and Budget Circular A-133 and the State of Wisconsin Single Audit Guidelines.
3. Audit presentation of financial statements and management letter to the Town Board is expected to occur no later than the Town Board meeting in August, which takes place on the second and fourth Tuesday of the month. A representative from the Firm shall be available to meet with elected officials at that evening's meeting to answer questions regarding the completed audit and/or management letter.
4. Provide all reports in a digital format as well as ten (10) printed and bound copies at least one (1) week prior to presenting the report to the Town Board. An electronic copy of the reports is also required.

ASSISTANCE AVAILABLE TO SELECTED FIRM

The Town's financial statements were last audited by Maitland, Singler & Van Vlack as of December 31, 2019.

The primary contact for the audit will be the Accounting Administrator as well as the Town Clerk and Town Treasurer and Town Administrator. Other staff will be available to provide information and explanations as required.

The Town will provide adequate office space, office furniture, photocopying, internet, telephone and fax service at no cost to the auditor during the audit services needed at the Town Hall.

The selected vendor will be responsible for transportation costs (include ferry, wind sleds).

TERMS AND CONDITONS

➤ Insurance

All proposals must include either a description of the Firm's insurance or a certificate of insurance outlining the Firm's insurance policies which evidence a prudent amount of coverage for the willful or negligent acts or omission of any officers, employees or agents thereof. **Errors and omissions minimum coverage should be \$2 million or \$1 million with at least a \$1 million Umbrella Excess Liability policy.** The successful Firm shall agree that it will, at all times during the term of the agreement, keep in force and effect insurance policies required by the contract, issued by a company or companies authorized to do business in the State of Wisconsin and satisfactory to the Town. Such insurance shall be primary. Prior to execution of the written contract, the successful Firm shall furnish the Town with a Certificate of Insurance listing the Town as an additional insured and upon request, certified copies of the required insurance policies. The Certificate shall reference the contract and provide for thirty (30) days advance notice of cancellation or nonrenewal during the term of the agreement.

➤ Applicable Law

Any lawsuits related to or arising out of disputes under this agreement shall be commenced and tried in Circuit Court of Ashland County, Wisconsin, and the Town and successful Firm shall submit to the jurisdiction of the Circuit Court for such lawsuits.

➤ Nondiscrimination

In connection with the performance of work under this agreement, the Firm agrees not to discriminate against any employee or applicant for employment because of age, race, religion, color, marital status, sexual orientation, sex, disability, national origin or ancestry.

➤ Assignment or Subcontract

This contract may not be assigned or subcontracted by the Firm.

➤ Independent Contractor Status

The Firm agrees that it is an independent Contractor with respect to the services provided pursuant to this agreement, and will furnish the Town with appropriate vendor documentation (W-9, 9 point test).

Nothing in this agreement shall be considered to create the relationship of employer and employee between the parties.

➤ Amendments to Contract

This contract may be modified only by written amendment to the contract, signed by both parties.

➤ **Waiver**

One or more waivers by any party of any term of the contract will not be construed as a waiver of a subsequent breach of the same or any other term. The consent or approval given by any party with respect to any act by the other party requiring such consent or approval shall not be deemed to waive the need for further consent or approval of any subsequent similar at by such party.

➤ **Indemnification and Defense of Suits**

The Firm agrees to indemnify, hold harmless, and defend the Town, its officers, agents and employees from any and all liability including claims, demands, damages, actions or causes of action, together with any and all losses, costs, or expense, including attorney fees, where such liability is founded upon or grows out of the acts, errors, or omissions of the Firm or its employees.

➤ **Contract Period**

The term of this contract shall commence no later than May 10th, 2021 unless otherwise agreed upon. The contract will be for one (1) calendar year with the option for extension if the services meet or exceed the Town's expectations.

➤ **Termination of Contract for Cause**

If through any cause, the Firm shall fail to fulfill in a timely and proper manner the obligations under this contract, or if the Firm shall violate any of the covenants, agreements or stipulations of this contract, the Town shall thereupon have the right to terminate this contract by giving written notice to the Firm specifying the effective date thereof, at least five (5) days before the effective date of such termination. In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, reports or other materials related to the services prepared by the Firm under this contract shall, at the option of the Town, become the property of the Town of La Pointe.

Notwithstanding the above, the Firm shall not be relieved of liability to the Town for damages sustained by the Town by virtue of any breach of the contract by the Firm, the Town may withhold any payments to the Firm for the purpose of set off until such time as the exact amount of damages due to the Town from the Firm is determined.

➤ **Auditor Access**

All parties contracting with the Town shall, upon request, provide access to and furnish the Town auditors with requested information, records and reports regarding powers, duties, activities, organization property, financial transactions, methods of operation, or any or all other records, reports or information in their custody. In addition, they shall provide access for the auditors to inspect all property, equipment and facilities within their custody.

➤ **Working Papers**

Audit working papers must be retained for at least seven (7) years from the final year of the audit engagement and be made available for examination by authorized representatives of the cognizant federal or state audit agencies, Government Accountability Office, the Town, successor auditors (if appointed), and/or any other parties authorized by the Town of La Pointe.

PROPOSAL FORMAT

Your proposal should provide a straightforward, concise description of the proposed delivery of services and your ability to achieve the same in the format provided. Emphasis should be on completeness and clarity. Please lay out your process for completing the audit, from timeline to location of physical audit activities and methods.

➤ **Title Page**

The proposal should identify the subject, the name of the Firm, address, telephone number, fax number, e-mail address, name and title of the contact person, and the date of submission. The response should confirm that the proposal is effective for ninety (90) days from the date submitted.

➤ **Letter of Transmittal**

The letter of transmittal should summarize the following information:

1. A brief understanding of the services to be performed.
2. A positive commitment to perform the services as specified.
3. The name(s) of the person(s) authorized to represent the Firm; their title, address, telephone number, fax number and email address if different from the individual who signs the transmittal letter.

➤ **Certification of License to Practice in Wisconsin**

Firm must affirm that they are licensed to practice as Certified Public Accountants in the State of Wisconsin.

➤ **Certification of Independence**

Firm must certify that the firm, partners and all staff members assigned to the engagement are free from impairments to independence with respect to the Town of La Pointe, as defined by generally accepted auditing standards and the U.S. General Accounting Office's Government Auditing Standards. The Firm must commit to maintaining an independent attitude and appearance through the full term of the engagement.

➤ **Profile of the Firm**

This section should include information on:

1. The type of organization and size of the Firm
 - A. The location of the office from which the work is to be performed.
 - B. List (if any) of other municipal clients.

COST PROPOSAL

The proposed fees should be provided as a part of the proposal. The selected vendor will be responsible for transportation costs (include ferry, wind sleds).

OTHER CONSIDERATIONS

Factors which include, but are not limited to, quantity involved, time of completion, purpose for which required, competency and financial capacity of Firm, ability to render satisfactory service and past performance will be considered in determining status as a responsible Firm. The Town reserves the right to request additional information as may reasonably be required to make this determination and to further investigate the qualifications of the respondent as deemed appropriate.

PROFESSIONAL SERVICES CONTRACT

If your proposal is accepted and a contract is issued, then this Request for Proposal and all documents attached hereto including any amendments, the Firm's technical and price proposal, and any other written offers/clarifications made by the Firm and accepted by the Town, will be incorporated into a contract between the Town and the Firm. It shall contain all the terms and conditions agreed on by the parties hereto, and no other agreement regarding the subject matter of this proposal shall be determined to exist or bind any of their parties hereto.

The submission of a proposal shall be considered as a representation that the Firm has carefully investigated all conditions, has full knowledge of the scope, nature and quality of work required, and is familiar with all applicable State, Federal and Local regulations that affect, or may at some future date affect the performance of this contract.

Acceptance of this proposal will take place only upon award by the La Pointe Town Board, execution of the contract by the proper Town officials, and delivery of the fully executed contract to the successful Firm. Acceptance may be revoked at any time prior to delivery of the full-executed contract to the successful Firm.

The contract may be amended only by written agreement between the Firm and the Town of La Pointe.

RIGHT OF THE TOWN TO REJECT PROPOSALS

The Town of La Pointe reserves the right to reject any and all proposals or any part of any proposal, to waive minor irregularities in the procedure, defects or technicalities, or to cancel in part or in its entirety, or to solicit new proposals on the same project or on a modified project which may include portions of the originally proposed project as the Town may deem necessary in its best interest. The Town also reserves the

right to negotiate with any vendor regarding all or part of any proposal that is in the best interest of the Town.

CONFIDENTIALITY OF DOCUMENTS

All responses to the Request for Proposals (RFP) submitted by vendors shall be deemed public documents at the time they are opened by the Town of La Pointe. The RFP is intended to be worded in a manner so as not to elicit proprietary information from the vendor. If proprietary information is submitted as part of the proposal, such information is to be labeled proprietary and be accompanied with a request that the information is to be held in confidence by the Town of La Pointe until such time as the contract is set. Any proposal that is submitted with a general statement or limitation that would prohibit reasonable public inspection shall be considered non-responsive and shall be rejected.