



**REQUEST for PROPOSAL
For
AUDIT SERVICES**

CITY OF DUBOIS, PENNSYLVANIA

Due Date: February 7, 2023

Time: 11 a.m.

Receipt Location:

Mailing Address:

City of DuBois
Attn: John "Herm" Suplizio
PO Box 408
DuBois, PA 15801

Physical Address:

City of DuBois
Attn: John "Herm" Suplizio
16 W. Scribner Avenue
DuBois, PA 15801

Email: hermsuplizio@hotmail.com

Phone: 814-371-2000 Ext. 109

MEMO TO: Prospective Bidders

FROM: John “Herm” Suplizio, City Manager

SUBJECT: Request for Proposals – Selection of Independent Auditor

DUE DATE & TIME:

The City of DuBois is currently seeking proposals from qualified auditors for the project entitled “Selection of the Independent Auditor”.

Enclosed are our specifications and bid proposal covering this work. Please review these documents carefully and use the forms provided to submit your bid.

All proposals are to be received by mail no later than February 7, 2023 at 11 a.m. Each proposal should be clearly marked: “PROPOSAL RESPONSE – SELECTION OF THE INDEPENDENT AUDITOR”.

These materials should be mailed or delivered to:

Mailing Address:

City of DuBois
Attn: John “Herm” Suplizio
PO Box 408
DuBois, PA 15801

Physical Address:

City of DuBois
Attn: John “Herm” Suplizio
16 W. Scribner Avenue
DuBois, PA 15801

Should you have any questions, please contact DeLean Shepherd, Finance Officer of the City of DuBois by telephone at 814-371-2000 Ext. 205, by email at delean.shepherd@duboispa.gov or in person at the City of DuBois, 16 W. Scribner Avenue, DuBois, PA 15801.

NOTICE

Proposals will be received by the City of DuBois, until February 7, 2023 at 11 a.m., in the office of the City Secretary, 16 W. Scribner Avenue, DuBois, PA 15801, at which time they will be considered for the following:

SELECTION OF THE INDEPENDENT AUDITOR

The right is reserved to reject any or all bids and to waive all informalities concerning the bid, or award bid to the lowest responsible bidder or bidders, taking into consideration quality, performance and the time specified in the proposals before the performance of the contract.

City of DuBois
John "Herm" Suplizio

REQUEST FOR PROPOSAL FOR AUDIT SERVICES – CITY OF DUBOIS, PENNSYLVANIA

The City of DuBois (hereinafter called the “City”) invites qualified independent auditors (hereinafter called “auditor”) having sufficient governmental accounting and auditing experience in performing an audit in accordance with the specifications outlined in this Request for Proposal (RFP) to submit a proposal.

There is no expressed or implied obligation for the City of DuBois to reimburse firms for any expenses incurred in preparing proposals in response to this request.

The specific details shown herein shall be considered minimum unless otherwise shown. The specifications, terms, and conditions included with this RFP shall govern in any resulting contract(s) unless approved otherwise in writing by the City of DuBois. The bidder consents to personal jurisdiction and venue in a state court of competent jurisdiction in Clearfield County, Pennsylvania.

Type of Audit

1. The audit will encompass a financial and compliance examination of the unit’s Annual Financial Report in accordance with the laws and/or regulations of the State of Pennsylvania, which include requirements for the minimum scope of the audit. The financial and compliance audit will cover federal, state, and local funding sources in accordance with Generally Accepted Auditing Standards (Government Auditing Standards) [July 2018 revisions; the provisions of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), the State Single Audit Implementation Act] and all other applicable laws and regulations. By accepting this engagement, the Auditor warrants that he has met the requirements for a peer review and continuing education requirements as specified in Government Auditing Standards.
2. The scope of the audit and all fee quotes presented should include all approved and known pronouncements through the date of the proposal submission. This includes, but is not limited to, the Governmental Accounting Standards Board (GASB) statement and Government Auditing Standards. The audit firm will be expected to advise appropriate City staff on the applicability of accounting and reporting standards as they become effective.
3. The financial audit opinion will cover the financial statements for the governmental activities, each major fund, and the remaining fund information, which collectively constitutes the basic financial statements. The combining and individual financial statements, schedules, and related information are not necessary for fair presentation, but will be presented as additional analytical data. This supplemental information, as required by GASB 34, will be subjected to the tests and other auditing procedures applied in the audit of the basic financial statements, and an opinion will be given as to whether the supplemental

information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The working papers shall be retained and made available upon request for no less than three years from the date of the Audit Report.

4. The audit will also include the following:

Attendance at City Council meeting for presentation of the financial statements by Manager or Partner of the Audit staff with comments and potential questions from the Council as requested.

5. The audit should encompass all funds and entity-wide activities as reported in the City's Annual Financial Report on December 31st of the prior year, and any additional funds or entity-wide activities that may be added subsequent to that date.

6. If required, the audit firm will issue a management letter to the City Council upon completion of the audit. All content must be discussed with the City Manager prior to issuance. The audit firm is encouraged to discuss the content while the management letter is in draft form to ensure that all parties fully understand the circumstances that lead to auditor comments.

7. The City staff may require the auditor's guidance or input on the completion of certain schedules/documents as to proper format and content, so that they can be used in the audit process as well as inclusion in the City's financial statements. Guidance may be required for new note disclosures, all outstanding and effective authoritative standards and other reporting requirements on December 31st year-end. Cost for providing these services should be included in the auditor's base fee quote and will not be considered extra for additional billings. In cases, however, where services requested would require a more in- depth scope and require work significantly above the original fee quote, such additional fees must be negotiated prior to commencement of work.

Auditor Requirements

The audit firm is an independent contractor and will be wholly responsible for the services and the supervision of its own employees and permitted sub-contractors.

The auditor will complete and submit the necessary Single Audit information to the Commonwealth of Pennsylvania Department of Economic Development on behalf of the City by **April 1st** deadline. Meeting the DCED deadline is a high priority for the City. The City agrees to provide any interim and final reports by any agreed upon deadlines in order to help ensure this deadline is met.

The auditor will complete and present the prior year Audit report (Financial Statements) to the City of DuBois no later than **April 1st**.

Ten copies of each Audit report, management letter, and other applicable reports must be supplied to the City Manager within the time frame cited above. In addition, the auditor is responsible for complying with the requirements of the City Council for submitting the audit and all associated documents and forms as required for the year under audit when (or prior to) submitting the final invoice for audit services rendered to the City Council.

In the event that circumstances arise during the audit that require work to be performed in excess of the original estimates, any additional costs will be negotiated prior to commencement of the work and an amended contract will be approved by the City Manager.

Either the manager or partner of the audit staff is required to present and attend the City Council's meeting in which the Audit report is presented. Required communications to the Council can be delivered at this point, as well as general comments regarding the audit process and the results of the audit. The City Manager will coordinate this presentation and determine the date and time of the meeting.

Audit Contract: Period & Payment of Audit Fees

The City intends to continue the relationship with the auditor for one year with option to extend three additional years. Each year after negotiation has taken place an annual contract documenting the terms of the audit will be signed. Since one governing board may not obligate future governing boards, the remaining years of the agreement are subject to annual governing board approval. It is requested that proposals be prepared for the following years, with year one being the only obligated year:

January 1, 2022 – December 31, 2022

January 1, 2023 – December 31, 2023

January 1, 2024 – December 31, 2024

January 1, 2025 – December 31, 2025

The entire audit contract package must be approved by the City Council of the City of DuBois.

Invoices are subject to approval by the City Council prior to payment by the City. Interim or progress billings for services approved by the City Council will be paid up to 75% of the total fee prior to submission of the final audited financial statements to the City Manager of the municipality. The final 25% of the Audit fees (final invoice) will be paid when the financial statements, single audit (if applicable), management letter and amended contract (if applicable) have been reviewed or approved by the City Council.

Description of Selection Process

The City requests that no City officials be contacted during this proposal process. Submit questions regarding the RFP in writing via email to hermsuplizio@hotmail.com. Any additional information disclosed to participating audit firms prior to bid submission will be shared with all interested parties

Proposals will be submitted in two sections and must be physically signed by an authorized representative of the Audit firm. The first section will be comprised of the audit firm's prior experience, qualifications of its personnel in performing governmental audits and audit approach. The second section will consist of a completed cost estimate sheet. The Finance Officer and City Manager will evaluate the auditor/firm on experience, qualifications and audit approach and cost and the firm best meeting these requirements will be selected.

Please keep in mind that cost, while an important factor will not be a sole determining factor. Unusually low bids that are obviously out of line with other bidders will raise concern. The lowest bid will not automatically be awarded preferential consideration.

The City reserves the right to reject any or all bids, waive technicalities, and to be the sole judge of suitability of the services for its intended use and further specifically reserve the right to make the award in the best interest of the City.

Failure to respond to any requirements outlined in the RFP, or failure to enclose copies of the required documents, may disqualify the bid. Three (3) copies and one (1) PDF of the proposal should be submitted at the time and place indicated under the section entitled "Time Schedule for Awarding Contract."

First Section-Profile of the Firm

The first section should address the requested information below. The corresponding responses should begin with the number below for the requested information.

1. Indicate the audit firm's Pennsylvania office location(s) that will manage the audit.
2. Indicate the number of people (by level) located within the local office that will manage the audit.
3. Provide a list of the current and prior government audit clients, indicating the type(s) of services performed and the number of years served for each.
4. Indicate the experience of the local office in providing additional services to government clients by listing the name of each government, the type(s) of service performed, and the year(s) of engagement.
5. Describe the professional experience in governmental audits of each senior and higher level person assigned to the audit, the years on each job, and his/her position while one each

audit. Indicate the percentages of time each senior and higher-level personnel will be on site. Relevant experience and education with the new GASB reporting requirements should be clearly communicated.

6. Describe the professional experience of assigned individuals in auditing relevant government organizations, programs, activities, or functions (Municipal Water Utilities, Building Inspections, Stormwater, etc.).
7. Is the firm adequately insured to cover claims? Describe liability insurance coverage arrangements.
8. Describe any regulatory action taken by any oversight body against the proposing audit organization or local office.
9. Comment on your knowledge of and relationship with the municipality.
10. Provide a brief summation of the reasons you believe your firm should be selected. In particular, the City is interested in the unique capabilities of your firm that distinguish it from other firms. Be specific and relate this discussion to how the City will benefit by choosing your firm as an auditor

Second Section-Cost Estimate

Provide total costs using the Summary of Audit Costs Sheet for the audit year January 1, 2022, to January 1, 2023. For the two audit years, which follow, list the estimated costs. The cost for the audit year ending December 31, 2022, is binding, while the second and third years are estimated costs. Cost estimates must indicate the basis for the charges and whether the amount is a “not-to-exceed” amount.

Time Schedule for Awarding the Contract

The RFP package will also be posted on the City website duboispa.gov

No pre-proposal conference will be held.

Proposals can either be submitted by on paper by February 7, 2023. Envelopes containing proposals on paper should be clearly identified on the front with the words **“RESPONSE TO RFP FOR AUDIT SERVICES.”**

✓ Please note your email should include two separate pdf attachments for sections 1 and 2

✓ Envelopes should include three copies of the bound proposal (clearly separating section 1 and 2) and should be delivered to:

City of DuBois
Attention: John “Herm” Suplizio, City Manager
16 W. Scribner Avenue, PO Box 408
DuBois, PA 15801

The Finance Officer and City Manager will review the proposals and make a recommendation to the City Council. The City Council will award the contract at its regularly scheduled meeting on February 13, 2023.

Description of The City & Accounting System

Reference should be made to the most recent Annual Audited Financial Report for a general overview of the City. A PDF copy of the most recent Annual Audited Financial Report is located on the City’s website at www.duboispa.gov or by emailing hermsuplizio@hotmail.com.

Entity

The City of DuBois, incorporated in 1914, and is located in Western Pennsylvania in Clearfield County. The City is bordered by Sandy Township and the borough of Falls Creek. The City’s corporate boundary encompasses 3.75 square miles, with a reservoir located in Union Township.

The U.S Department of commerce, Bureau of Census 2020 estimates the City’s population at 7,517 residents.

The City operates under the council/manager form of government. Policy- making and legislative authority are vested in the City Council, consisting of the mayor and four council members. The Mayor and City Council serve four-year staggered terms, with all elections being non-partisan. The City Council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring the City Manager, City Solicitor, City Engineer and Chief of Police. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the daily operations of the government, and for appointing heads of the City’s departments.

The City provides numerous services for its citizens including, general administration, planning, zoning, building inspections, police, fire, public works, maintenance of City’s, streets, and other infrastructures. This report includes the fiscal activities of the City in the provision of these services. The City takes pride in the services offered to our citizens, and the mission of the City staff is to provide reliable, responsive, quality service to our customers at the lowest reasonable cost.

The City is empowered to levy a property tax on real estate located within its boundaries. Subject to various stipulations set by the Pennsylvania General Assembly.

In government, much more than business, the budget is an integral part of a unit's accounting system and daily operations. Pennsylvania's General Statutes require that all governmental units in the State to adopt a balanced budget by December 31st of each year. An annual or project budget ordinance, as adopted and amended by the governing body, creates the legal limit on spending authorizations. The annual budget serves as the foundation for the City's financial planning and control.

The City of DuBois annual budget is adopted for the General, Sewer & Water, and Capital Reserve Funds. The budget is prepared by fund, and department (e.g., police, public works). Project and grant ordinances are adopted for a Special Revenue fund and (2) Capital Project Funds. The Capital Reserve Fund is a legally budgeted fund under Pennsylvania General Statutes; however, for statement presentation in accordance with GASB Statement No. 54 it is consolidated in the General Fund.

Funds

The City currently has the following funds:

General Fund

Sewer Fund

Water Fund

CDBG Fund

State Liquid Fuels Fund

Along with several separate checking & investment accounts.

Grants, Entitlements and Shared Revenues

The City expects the following Federal awards in fiscal year 2023:

Community Development Block Grant - \$315,000

Budgets

In accordance with State law, the City's budget is prepared on the cash basis of accounting and its accounting records are also maintained on that basis. Revenues are recorded when they are available. Expenditures are recorded when they are incurred.

Accounting Records

The City maintains all its accounting records at the Finance Office located at 16 W. Scribner Avenue, DuBois, PA 15801.

Assistance Available to Auditor

The City has designated the Finance Officer as the person with the suitable skills, knowledge and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the auditor. The City will make available to the auditor sufficient help to provide requested information and prepare necessary confirmations. A copy of the balance sheets and budget to actual revenue and expenditure reports will be made available by February.

1. The following accounting procedures will be complete, and supporting documents prepared by the City staff no later than mid to end of February.

General

1. Balance sheets for all funds.
2. Statement of Revenues, Expenditures and Transfers (compared to budget) for all funds.
3. General ledger transaction detail for all accounts available upon request.
4. A copy of all board policies with any relevance to finance including contracts with vendors, travel policy, investment policy, fund balance policy, purchasing policy, internal control policy, allowable cost policy, conflict of interest policy, non-discrimination policy, record retention and uniform guidance policies.
5. Copies of all board meeting minutes.

Cash and Investments

1. Bank statements and reconciliations for all bank and investment accounts at December 31 including outstanding check detail and deposits in transit (reports available for all months).
2. Bank confirmations as of December 31 (bank accounts typically require an electronic confirmation via auditor).
3. Schedule of cash and investment balances at December 31 (showing applicable FDIC insurance coverage)

Revenues

1. Clearfield County shared revenues and taxes collected are reconciled to City revenue report.
2. City of DuBois collects property taxes for the Clearfield County & DuBois Area School District – annual tax roll and all year-end tax reports are available.
3. Schedule of taxes receivable.
4. Analysis of tax levy prepared for City-wide tax.

5. Schedule of due to other governments or school district at December 31.
7. Schedule of other miscellaneous receivables at December 31.

Capital Assets

1. Schedule of all capital asset acquisitions made during the audit year.
2. Schedule of all capital asset dispositions made during the audit year.
3. Listing of all capital assets at December 31 sorted by group and function.
4. Schedule of depreciation expense for the audit year.

Current Liabilities

1. Schedule of any other current liabilities applicable.

Long-term Debt

1. Summary of long-term debt showing beginning balance, additions, principal, and interest payments and ending balance.
2. Copies of debt agreements for any new debt or debt outstanding at December 31.

Grants

1. Grant agreement.
2. Grant budget.
3. All financial reports.
4. Correspondence with grantor agency including reimbursement requests and any monitoring reports.
5. CFDA# and/or pass-through grant #

Size and Complexity of City

Personnel/Payroll

Number of employees	62 Full time
	3 Part time
Frequency of payroll	Bi-Weekly

Property Tax collected

Total dollar amount of most recent year's collections	\$1,329,353
Total dollar amount of levy	\$1,403,340

Bank Accounts

Number of bank accounts	Approximately 13
Number of investment accounts	Approximately 20
Average monthly activity in Depository:	
Number of deposits	25
Number of checks	68

The following financial applications are on the Edmunds software computer system: General

Ledger	Misc. Accounts Receivable
Accounts Payable	Capital Assets
Payroll	Permit Issuance
Water Billing & Receipt	Code Enforcement
Sewer Billing & Receipt	
Trash Billing & Receipt	

Other Information:

The City's fiscal year ending December 31, 2021, audit has yet to be submitted to the City Council.

The City does not maintain an internal audit function.

Notification of Award:

The successful respondent will be notified of the award of contract following the favorable decision made by City Council. No other proposers will be personally contacted.

FIRM: _____

Primary Contact: _____

Address: _____

Telephone: _____ Fax: _____

E-mail: Date: _____

Signature _____ Date _____

By Signing above, I Certify that I have carefully read and fully understand the information contained in this RFP; and that I have the capability to successfully undertake and complete the responsibilities and obligations of the Proposal being submitted and have the authority to sign Proposal on behalf of my organization.

It is understood by the Offeror that the City of DuBois reserves the right to reject all Proposals, to waive formalities, technicalities, and to recover and rebid this RFP.

This RFP for Audit Services is submitted by:

Firm Name: _____

Authorized Representative Name: (Please Print) _____

Title: _____

Email: _____

Telephone: _____

Preferred Method of Contact: _____

Address: _____

This RFP is valid for sixty (60) calendar days from the RFP due date.

A certificate of insurance and W9 must be received prior to any work being done.

SUMMARY OF AUDIT COSTS WORKSHEET

1. Audit Firm Personnel Costs – Itemize the following for each category of personnel:

	On Site Interim Hours	On Site Year – End Hours	Work in Auditor’s Office	Total Hours	Hourly Rate	Total Cost
Partner						
Manager/Sr.						
Accountant						
Clerical						
Total Personnel Costs						

2. Total Audit Cost:

	FY 22 Binding	TY 23 Estimated	TY 24 Estimated
Total Personnel Costs from Above			
Travel (if any)			
Other Costs:			
TOTAL COST			

3. If applicable, note your method of determining increases in audit costs on a year to year basis.