

INVITATION TO BID

The City of Bolivar, Missouri invites independent certified public accountants, licensed in Missouri, to submit proposals to perform financial and compliance audits. The audit will cover the years ending 2023, 2024 and 2025, fiscal year being January 1 through December 31. Bids shall be submitted to the City Clerk no later than 2:00 p.m., July 12, 2023, at 2:00 p.m., Specifications may be obtained from the Office of the City Clerk, PO Box 9, Bolivar, Missouri, 65613. The City reserves the right to reject any and/or all bids. **Please mark bid envelope: "Audit Bid".**

Paula Henderson, MPC, MMC
City Clerk

**CITY OF BOLIVAR, MISSOURI
REQUEST FOR PROPOSALS
FOR AUDIT SERVICES**

I. INTRODUCTION.

General Information.

As required by the Revised Statutes of the State of Missouri, the City of Bolivar, Missouri (City) is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending 2023, 2024 and 2025. These annual audits are to be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in the U.S. General Accounting Office's Government Auditing Standards, the provisions of the Single Audit Act of 1984 and subsequent amendments, and the provisions of U.S. Office of Management and Budget (OMB), Governmental Accounting Standards Board, and all other applicable accounting standards in effect when the audit is performed.

Also, the City may seek general accounting consulting throughout the year, which would be billed hourly.

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

To be considered, eight (4) copies of a proposal must be received by Paula Henderson, City Clerk by **2:00 p.m. Tuesday July 12, 2023.**

Bids shall be opened that day. Proposers are invited to attend. The City reserves the right to reject any or all proposals submitted.

During the evaluation process, the City reserves the right, where it may serve the City's best interest, to request additional information or clarifications from proposers or to allow corrections of errors or omissions.

The City reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether the proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City and the firm selected.

It is anticipated the selection of a firm will be completed by or before July 25, 2023.

Following the notification of the selected firm, it is expected a contract will be executed between both parties by or before August 22, 2023.

A three-year contract is contemplated, subject to the satisfactory negotiation of terms (including a price acceptable to both the City and the selected firm) for the second through third year of the contract, the concurrence of the City and the annual availability of an appropriation.

II. NATURE OF SERVICES REQUIRED.

A. General.

The City is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal year ending **December 31, 2023, 2024, 2025**. These audits are to be performed in accordance to the provisions contained in this request for proposals.

B. Auditing Standards to be Followed.

To meet the requirements of this request for proposals, the audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in the U.S. General Accounting Office's Government Auditing Standards, the provisions of the Single Audit Act of 1984 and subsequent amendments, and the provisions of U.S. Office of Management and Budget (OMB), Governmental Accounting Standards Board, and all other applicable accounting standards in effect when the audit is performed.

C. Reports to be Issued.

1. Audit.

Following the completion of the audit of the fiscal year's financial statements.

- a. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.
- b. A report on the internal control structure based on the auditor's understanding of the control structure and assessment of control risk. 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 data consistent with the assertions of management in the financial statements. In addition, the following conditions shall be considered reportable:
 1. Deficiencies in investment internal control.
 2. Deficiencies or significant fluctuations in investment returns.

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.

Auditors shall be required to make an immediate, written report of all illegal acts or indications of illegal acts of which they become aware to the following parties:

- a. Mayor
- b. City Attorney

2. Consulting.

The City may periodically request assistance with various accounting issues. Such work would be performed hourly and billed monthly.

D. Auditors shall assure themselves that the Board of Aldermen is informed of each of the following:

1. The auditor's responsibility under generally accepted auditing standards.
2. Significant accounting policies.
3. Management judgments and accounting estimates.
4. Significant audit adjustments.
5. Other information in documents containing audited financial statements.
6. Disagreements with management.
7. Management consultation with other accountants.
8. Major issues discussed with management prior to retention.
9. Difficulties encountered in performing the audit.

E. Working Paper Retention and Access to Working Papers.

All working papers and reports must be retained, at the auditor's expense, for a minimum of five (5) years, unless the firm is notified in writing by the City of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees:

1. City of Bolivar, Missouri.
2. U.S. General Accounting Office (GAO).
3. Parties designated by the federal or state governments or by the City as part of an audit quality review process.
4. Auditors of entities of which the City is a sub-recipient of grant funds.

F. Background Information.

The City of Bolivar serves a population of approximately 10,718 as of the 2020 census. The City's fiscal year begins on January 1 and ends on December 31.

The City provides the following services to its citizens:

General Administration

Park & Recreation/Golf Course
Airport
Aquatic Center
Planning & Zoning
Building Regulations
Fire Department
Police Services
Municipal Court
Public Works Services (Street)
Capital Improvement

The City has an annual operating budget of approximately \$13.6 million and reserves of approximately over \$16 million. The City has 75+ full-time employees.

The City is governed by a Board of Aldermen with 8 members, including an elected Mayor.

G. Fund Structure.

The City uses the following fund types and account groups in its financial reporting:

General Fund: Funded is the general operating fund of the City. It is used to account for all financial resources not accounted for in other funds.

Street Fund: Funded is used to account for resources restricted, committed or assigned for City streets.

½ Cent Capital Improvement Fund: This fund is used to account for financial resources restricted, committed or assigned for the acquisition, construction, and maintenance of major capital assets of the City.

Recreation Facility Fund: The Recreation Facility Fund is used to account for financial resources restricted, committed or assigned for City recreation and parks.

Major Proprietary Fund:

The City sold its Water and Sewer Treatment Facilities during the financial year of 2022.

H. Budgetary Basis of Accounting.

The City prepares its budgets on a basis consistent with generally accepted accounting principles.

I. Federal and State Financial Assistance.

The City may have received grant funds from Missouri Department of Natural Resources, US Department of Homeland Security, US Department of Transportation, and US Department of Justice, American Rescue Funds, State of Missouri Emergency Management.

J. Employee Pension Plans.

The City does participate in Missouri Local Government Employees Retirement System (LAGERS).

K. Component Units.

The City is defined, for financial reporting purposes, in conformity with the Governmental Accounting Standards Board's *Codification of Governmental Accounting and Financial Reporting Standards*, Section 2100.

L. Joint Ventures.

The City does not participate in a joint venture with other governments.

M. Magnitude of Finance Operations.

The City handles its operations through several different funds.

N. Computer Systems.

All City financial information is compiled by the city using a government accounting software Incode-Tyler Technologies.

O. Internal Audit Function.

The City does not employ an internal audit staff.

P. Availability of Prior Audit Reports and Working Papers.

Interested proposers who wish to review prior years' audit reports, six-month compilation and management letters should contact the City Clerk.

III. TIME REQUIREMENTS.

A. Date Final Report is Due.

The final report shall be delivered to the Office of the City Clerk and presented in person to the Board of Aldermen at a Regular Council Meeting by June of each year.

IV. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION.

A. Clerical Assistance.

The City Clerk/Finance Director will serve as the principal contact person for the auditor.

B. Report Preparation.

Report preparation, editing and printing of four (4) final reports, one (1) reproducible copy, copies of which include all auditor schedules and letters to be provided by Auditor. and four (4) copies to include the following:

- a. The proposer shall submit a bid in a sealed envelope marked as follows:

AUDITING SERVICES
City of Bolivar
345 S. Main, PO BOX 9
Bolivar, MO 65613

1. Firm Qualifications and Experience.

The proposal should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed, and the number and nature of the professional staff to be employed in this engagement on a full-time basis, and the number and nature of the staff to be so employed on a part-time basis.

If the proposer is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified, and the firm that is to serve as the principal auditor should be noted, if applicable.

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.

The firm shall also provide information on the results of any federal or state desk reviews of field reviews of its audits during the past three (3) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.

2. Professional Liability Insurance.

Include a copy of the firm's professional liability insurance coverage. The City requires the selected audit firm to carry, or agree to obtain, a minimum of \$3,000,000.00 in professional liability insurance coverage upon selection as the auditing firm.

3. Similar Engagements with Other Government Entities.

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum of 5) performed in the last five (5) years that are similar to the engagement described in this request for proposals. These engagements should be ranked on the basis of total staff hours.

Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.