

**Muskegon Area
Intermediate School District
630 Harvey St.
Muskegon, MI 49442
(231) 767-7207**

**Muskegon Area Promise
630 Harvey St.
Muskegon, MI 49442
(231) 767-7207**

**Request for Proposal
Audit Services
For the Years Ending June 30, 2025, 2026 and 2027**

November 25, 2024

GENERAL CONDITIONS

The Muskegon Area Intermediate School District (MAISD) and Muskegon Area Promise (MAP) are soliciting proposals from qualified firms of Certified Public Accountants to audit its financial statements for the fiscal years ending June 30, 2025, 2026 and 2027. The MAISD and MAP reserves the right to extend the minimum three-year contract an additional three years based on satisfactory performance of audit services.

The following Request for Proposal (RFP) is being provided to you for your consideration. To be considered for this engagement, your firm must meet the qualifications and satisfy the requirements set forth in this RFP.

Mike Schluentz
Associate Superintendent
Muskegon Area Intermediate
630 Harvey St.
Muskegon, MI 49442
Phone: (231) 767-7207
Fax: (231) 773-3498
Email: mschluentz@muskegonisd.org

Completed proposals must be received at the address noted above by 2:00 p.m. on Friday, January 10, 2025. Proposals must be submitted in a sealed envelope that is clearly marked “**AUDIT PROPOSAL.**” Proposals submitted by email or facsimile will not be accepted, nor will proposals received after 2:00 p.m. Any proposals received after that time will be returned unopened. Accepted proposals will be opened at the specified time and will be read aloud. The public is welcome to attend this bid opening.

Although cost will be an important factor in awarding the contract, the MAISD is not obligated by any statute or regulation to award the purchase of audit services solely on the basis of cost. Accordingly, the MAISD reserves the right to evaluate all proposals objectively and subjectively and to accept or reject any or all proposals or portion thereof. The MAISD’s Responsible Contractor Policy will also be instrumental in evaluating proposals. Additionally, the MAISD and MAP reserves the right to negotiate changes in services with the firm determined to have submitted the proposal that is in the best interest of the MAISD and MAP. (See *Method of Evaluating Proposals* on page 12.)

It is to be understood that this RFP constitutes specifications only for the purpose of receiving proposals for services and does not constitute an agreement for those services. It is further expected that each bidder will read these specifications with care. Failure to provide requested information or meet certain specified conditions may invalidate the proposal(s).

It is the intent of the MAISD and MAP to award this audit proposal for a three (3) year period, however the term of the engagement shall end if the audit contract is violated or if the audit quality is unacceptable.

The information contained herein is believed to be accurate, but is not to be considered in anyway as a warranty.

Proposals must contain in writing all terms and conditions of the offer being made. Verbal representations made before or after proposals are submitted will not be considered unless they were made in answer to questions asked by the MAISD, MAP, or its representatives.

Audited financial statements for the MAISD and MAP for the year ended June 30, 2024 are available upon request and can be viewed on our website under Audited Financial Statements at:

- MAISD <https://www.muskegonisd.org/about/reports/budgettransrpt/>
- MAPZA <https://www.muskegonisd.org/ctc-home/career-development/promise/>

Staff of the District will prepare work papers and schedules according to the attached pre-audit checklist.

All questions and correspondence should be directed to Jesse Rickard or Mike Schluentz at the address noted above or by telephone at (231) 767-7209 or (231) 767-7207. In order to assure consistency of information provided regarding this RFP, contact with the MAISD's personnel other than Jesse Rickard or Mike Schluentz is discouraged and may be grounds for elimination from the selection process.

WITHDRAWAL OF PROPOSALS:

Proposals shall remain valid for a period of sixty (60) days after submission. The District will not accept modifications to proposals, except as may be mutually agreed upon following the acceptance of the proposal.

TIME TABLE:

1. Release of RFP on or about November 25, 2024.
2. Proposals due at 2:00 pm on Friday, January 10, 2025.
3. Sealed Proposals will be opened at 2:00 pm on Friday, January 10, 2025.
4. MAISD Board of Education action is expected on Tuesday, January 21, 2025.
MAPZA Board action is expected on Tuesday, January 14, 2025.
5. Notification to all firms as soon as possible after January 21, 2025.
6. Preliminary audit work (if deemed necessary by the auditor) for FYE 2025 to be conducted before June 30, 2025 and at a mutually agreeable time for subsequent year audits.
7. Audit for FYE 2025 to be conducted during September 2025 and at a mutually agreeable time for subsequent year audits.
8. Financial Statements completed for distribution in October following each fiscal year end.
9. Presentation of Financial Statements to the Audit Committee of the Board of Education and the full Board of Education each year.

FIRM/AUDITOR QUALIFICATIONS:

- The firm must maintain a sufficient number of professional staff in order to provide adequate technical expertise and depth.
- The firm and the partner assigned to the MAISD must have experience in auditing intermediate school districts within the State of Michigan.
- The auditor is expected to be familiar with the types of policies and procedures intermediate school districts follow. Policies and procedures specific to the Muskegon Area Intermediate School District will be available to the auditor for review.
- The auditor will provide a profile of the professional responsible for the overall management of the audit. The auditor must be fully informed regarding generally accepted accounting principles and auditing procedures including those in the development stages and those identified below under Audit Information - Accounting Basis.
- The firm shall identify the audit manager, field supervisors and other staff who will work on the audit, including staff from other than the local office. Resumes including relevant experience and continuing education for the audit manager, field supervisor(s) and partner in charge of the engagement should be included with the proposal.
- Assurance must be given that during the course of the life of the three-year contract there will be some continuity in the assignment of audit staff. It is agreed that the firm intends to maintain the same lead auditor for the life of the contract.
- The firm's professional staff must be trained specifically in auditing and accounting for school districts.
- All assistants must be properly trained and supervised and that the work be adequately planned.
- The firm must have an excellent reputation for service in school district auditing.
- The firm must have proof of a peer review.
- A minimum of \$1,000,000 Errors and Omissions Insurance. The successful firm will be required to provide the Agency with a certificate of insurance to verify this coverage.

AUDIT INFORMATION:

1. Accounting Basis –

- Bulletin 1022 (Revised)
- Public Act 621 of 1978 (Uniform Budgeting)
- GAAFR statements and restatements
- Governmental Accounting Standards Board – Pronouncements and Interpretations
- U.S. General Accounting Office – Government Accounting Standards, as amended
- Single Audit Act of 1984, as amended
- Uniform Grant Guidance
- GASB Exposure Letters
- Bulletins
- Michigan School Audit Manual as issued by the Michigan Department of Education
- Any other required Federal, State, cognizant agency, and/or professional standards applicable to this engagement including AICPA.

2. Audit Timeline –

- Audit to commence in September of each year at such time as mutually agreed upon.
- Audit to be completed by October 15th of each year.
- Audit documents to be delivered to the MAISD by October 25th of each year, or the audit due date prescribed by the State of Michigan if earlier.
- Audit to be presented to the Audit Committee of the Board of Education and the Full Board of Education each year.

AUDIT REQUIREMENTS: (MAISD)

1. Scope –

Provide the Financial Report and the report on Compliance for Federal Grant Programs for the period ending June 30, 2025. Funds to be audited, estimated volume and estimated fund balance for the year ended June 30, 2024 are as follows:

Fund	Description	7/1/2023 Fund Balance	Projected (2023-24) Revenues	Projected (2023-24) Expenditures
General Fund	Operational Purposes	\$6,609,199	\$46,839,774	\$47,058,501
Special Education Fund	Programs & Services for Special Ed students in County	\$ 883,408	\$41,923,182	\$41,923,182
Vocational Education Fund	Career & Technical Education Programs	\$3,797,454	\$8,329,891	\$8,638,071
School Lunch Fund		\$ 18,051	\$ 127,087	\$ 126,795
General Capital Projects Fund	Major equipment and capital projects	\$2,478,500	\$ 190,685	\$ 935,614
CTC Capital Projects Fund	Major equipment and capital projects	\$6,106,048	\$ 175,000	\$ 870,225
School Activity Fund		\$ 90,500	\$ 23,500	\$ 23,500
Total		\$19,983,160	\$97,609,119	\$99,575,888

In addition, the MAISD maintains the following account group:

Account Group	Description	Basis at 6/30/15
General Fixed Asset	Land, buildings, equipment, furnishings and vehicles	\$22,202,980
SBITA	Leases and subscription based IT arrangements.	\$1,004,001
General Long-Term Debt	Long Term Debt – Bond & Capital Lease, Pension and Comp Absence	\$1,647,202

2. Financial Statements –

Upon completion of the field audit work and final adjustments to the general ledger, the MAISD will assist with the preparation of the financial statements for the auditor to review and express their opinion.

3. Reporting –

The auditors will include the following information in their report to the Superintendent and the MAISD Board of Education:

- Internal accounting control based solely on a study and evaluation made as part of the audit of the general-purpose financial statements.
- Compliance with laws and regulations that may have a material effect on the financial statements.
- Supplementary schedule of our federal financial assistance program.
- Accounting and administrative internal controls used in administering federal financial assistance programs.
- Compliance with laws and regulations applicable to federal financial assistance programs identifying all findings of noncompliance and questioned costs.

4. State Aid –

The auditor is expected to conduct a 100% state aid audit/reconciliation for the state foundation allowance, including all sections of the State Aid, which comprise the State Foundation Allowance.

5. Taxes –

The auditor is expected to conduct a 100% tax audit/reconciliation, including all “off-the-roll specific taxes” such as Industrial and Commercial Facilities Taxes. The MAISD receives taxes from four counties (Muskegon, Ottawa, Newago and Oceana) which include the following 31 cities and townships:

Muskegon County-Blue Lake, Casnovia, Cedar Creek, Dalton, Egelston, Fruitland, Fruitport, Holton, Laketon, Montague, Moorland, Muskegon, Ravenna, Sullivan, Whitehall, White River, City of Montague, City of Muskegon, City of Muskegon Heights, City of North Muskegon, City

of Norton Shores, City of Roosevelt Park, City of Whitehall; Ottawa County-Chester, Crockery, Spring Lake; Newaygo County- Bridgeton; Oceana County-Greenwood, Otto, Claybanks, Grant The MAISD levies taxes mostly on the Winter roll. We do levy summer taxes in a few of the townships and cities mimicking where the local school district collects summer taxes. The 2023 tax levy includes 0.4518 mills for operational purposes General Fund, 2.2597 mills for Special Education, 0.9827 mills for Career & Technical Education, and 0.9831 mills for Security and Tech (Enhancement millage).

6. Grants –

The auditor is expected to have a thorough understanding of Federal, State, and Local Grant Funding due to the amount of funding received through grants. The audit services will be required to include a Single Audit for the Federal Grant funding. The State and Local Grants should be considered in determining other necessary tests as part of the financial statement audit.

7. Other Requirements –

- Personal presentation of the final report to the full Board of Education by an audit manager or partner of the firm.
- Assistance in correcting errors and procedural shortcomings identified during the audit.

8. Audit Plan –

The auditor will be required to use a comprehensive audit plan and, to the extent permissible, must be willing to review this plan with the MAISD. The plan should cover the study and evaluation of the internal controls and the test of records to the extent necessary by the degree of such reliance. It is understood that the auditor is responsible for the auditing procedures that in his or her professional judgment must consider the materiality of the audit area, the relation to specific standards and the relation to expressing an opinion on the statements as a whole. MAISD officials should be consulted when such judgments result in a disproportionate amount of effort being expended on a particular subject.

9. Communication –

The auditor will maintain regular contacts and meetings with the MAISD administrators and other personnel including but not limited to:

- Engagement planning meeting
- Progress reports
- Closing review meeting
- Changes that would affect the reporting requirements of the MAISD
- Sharing of innovative methods and procedures that may warrant MAISD investigation and/or consideration
- Newsletters or other method of regular communications containing information with specific benefit to school districts

10. Numbers of Copies of Auditor's Reports –

The auditor shall furnish the MAISD with one (1) electronic copy (PDF format) and twelve (12) bound copies of the Financial Report and Single Audit Report. In addition, the auditor shall furnish and send the requested number of copies for submission to each federal and state agency as may be required.

11. Additional Data –

Please provide any additional information or data which you feel is relevant and may be helpful in the selection process such as references from current/past school district clients.

AUDIT REQUIREMENTS: (Muskegon Area Promise)

1. Scope –

Provide the Financial Report and the report on Compliance for Federal Grant Programs for the period ending June 30, 2025. Funds to be audited, estimated volume and estimated fund balance for the year ended June 30, 2024 are as follows:

Fund	Description	7/1/2024 Fund Balance	Actual (2023-24) Revenues	Actual (2023-24) Expenditures
General Fund	Operational Purposes	\$5,547,489	\$4,012,780	\$1,881,820

2. Financial Statements –

Upon completion of the field audit work and final adjustments to the general ledger, the MAISD will assist with the preparation of the financial statements for the auditor to review and express their opinion.

3. Reporting –

The auditors will include the following information in their report to the Superintendent and the MAISD Board of Education:

- Internal accounting control based solely on a study and evaluation made as part of the audit of the general-purpose financial statements.
- Compliance with laws and regulations that may have a material effect on the financial statements.

4. Other Requirements/information –

- State aid is captured based on half the growth of the SET tax from the base year of 2014. This one payment is received in October each year.
- There are no employees in the MAP. Staff are hired by MAISD and reimbursed by the MAP each month.

- There are three bank accounts.
- MAP uses Intuit Quickbooks online.
- Assistance in correcting errors and procedural shortcomings identified during the audit.

5. Numbers of Copies of Auditor's Reports –

The auditor shall furnish the MAISD with one (1) electronic copy (PDF format) and fifteen (15) bound copies of the Financial Report and Single Audit Report. In addition, the auditor shall furnish and send the requested number of copies for submission to each federal and state agency as may be required.

6. Additional Data –

Please provide any additional information or data which you feel is relevant and may be helpful in the selection process such as references from current/past school district clients.

AGENCY INFORMATION (MAISD):

1. Enrollment –

The MAISD a strong intermediate school district serving the public schools of Muskegon and parts of Oceana, Ottawa, and Newaygo counties.

Our primary mission is to provide the leadership, programs, and services that enhance the success of everyone we serve and it is our vision to be the premier source for quality educational leadership, programs, and services.

The MAISD owns and operates the following schools:

School	Location	Enrollment
MAISD North Educational Services Center	630 Harvey St. Muskegon, MI 49442	n/a
MAISD South Administrative Services	684 Harvey St., Ste 202 Muskegon, MI 49442	n/a
Wesley School	915 Wesley Ave. Muskegon, MI 49442	64
Craig Transition Campus	1580 Park Street Muskegon, MI 49442	96
Muskegon Area Career Tech Center	200 Harvey St. Muskegon, MI 49442	800
MAISD Lakeshore Learning Center	1001 Wesley Ave. Muskegon, MI 49442	30
Preschool Programs operated in local district buildings below:		
Muskegon Heights Edgewood Early Childhood	3028 Howden St. Muskegon Heights, MI 49444	68 HS 80 GSRP
Muskegon Public School Head Start	Glenside Elementary School 1213 W. Hackley Ave. Muskegon, MI 49441	356
Fruitport Public Schools Head Start	Edgewood Elementary 3255 Pontaluna Rd. Fruitport, MI 49415 and Ross Park Elementary School 121 Randall Rd. Muskegon, MI 49441	70
TOTAL ENROLLMENT		1453

2. Funding –

The Agency receives approximately \$27 million in Property Tax Revenue. State Aid Funding totals approximately \$27.5 million. The MAISD receives approximately \$23 million in federal funds, which are composed of School Safety; Title I Regional Assistance; IDEA Special Education Flowthrough; IDEA Special Education Pre School Incentive; Carl D. Perkins/CTE; 32p Block Grant; Head Start; Medicaid Outreach, and others as listed in prior year single audit.

3. Staffing –

The MAISD employs approximately 400 people including 51 professional staff (teachers), 15 administrators, and other ancillary special education staff and hourly staff, administrative assistants, maintenance personnel, instructional support staff, and technology technicians.

The MAISD also contracts through Edustaff 51 staff people in its early childhood programs.

The following list represents key personnel involved in the financial operations of the MAISD and their length of experience:

Name	Position	Total Experience (accounting and HR)	Length of Service with MAISD	Total Experience in Current Position
Mike Schluentz, CPA, CFO	Associate Superintendent for Administrative Services	30 yrs	11 yrs	11 yrs
Jess Rickard, CFO	Director of Financial Services	9 yrs	2 yrs	2 yrs
Kathy Morris	Financial Projects Specialist	29 yrs	29 yrs	9 yrs
Kelsie Farkas	Senior Financial Services Specialist – Accounts Payable	11 yrs	17 yrs	9 yrs
Tracy Harris	Senior Financial Services Specialist - Payroll	23 yrs	2 yrs	2 yrs

4. Accounting Software –

The Muskegon Area Intermediate School District utilizes software provided by Tyler Enterprise ERP (MUNIS) Version 2021.11.1715 for general ledger, accounts payable, accounts receivable, payroll and personnel functions.

METHOD OF EVALUATING PROPOSALS

Proposals will be evaluated with a strict emphasis on quality. The federal government has the authority to review the audit report and audit work papers to ascertain the quality of the audit. In response to a deficient audit, the cognizant agent or its designee of the federal government can disallow the cost of the audit as an allowable cost of a federal grant, such as IDEA. Furthermore, the citizens of the Muskegon Area Intermediate School District expect quality stewardship of all available resources. As such, the primary emphasis of procuring audit services will be the quality of technical factors of the audit firm. Attributes that will be analyzed include, but are not limited to:

- Number of governmental entities audited by the office of the proposing CPA firm
- Firm governmental resources available
- Involvement in school related organizations
- Training of personnel in government and federal grant auditing
- Quality of staff included in assignment
- Reference responses
- Internal quality control procedures and external quality control reviews

After the technical qualities have been evaluated, cost and other considerations will be evaluated. Once all factors have been evaluated, the audit firm that is most qualified and reasonable in cost will be selected for recommendation to the Board of Education.

AUDIT PROPOSAL FORM - MAISD

Please complete and return this proposal form with any additional information you feel is necessary to help us evaluate your firm. **Proposals are due by 2:00 pm on January 10, 2025.**

Qualifications

- 1. General information about the company, its Principals/Partners, and its history, including the state and date of incorporation.

- 2. Location of the office that will be performing the audit for Muskegon Area Intermediate School District

- 3. Number of Michigan school district audits that your firm conducted in each of the last three years. Please attach a list of at least 3 school districts (preferably ISDs), approximate size and the contact person.

	LEAs	ISDs
Year ending June 30, 2022	_____	_____
Year ending June 30, 2023	_____	_____
Year ending June 30, 2024	_____	_____

- 4. Number of other governmental (fund accounting) audits your firm has conducted in each of the last two years.

Last year _____
Prior year _____

- 5. Number of total audit staff. Do not include tax, consulting services or clerical personnel.

Number of audit staff _____
Number of audit staff with CPA certification _____

- 6. Number of staff as defined in the question above who were directly involved in a significant portion of the audit of a school district in the last two years. _____

- 7. Expected staffing to perform the MAISD audit for the FY2025 school year:

Yrs with Firm Yrs school audits

Audit Manager	___	___
Audit Team Leader	___	___
Staff 1	___	___
Staff 2	___	___
Staff 3	___	___
Staff 4	___	___

9. Expected timeline to complete audit for the FY2025 school year:

Preliminary Fieldwork (usually prior to year-end)	___	days
On site Fieldwork	___	days
Off site Fieldwork	___	days
Review/Printing	___	days

10. What type of consultation do you provide to the school district on an annual and ongoing basis at no additional cost?

11. Provide a synopsis of other management consulting services available with the number of staff specifically assigned to each. List examples of studies you have done for various school districts.

12. Indicate other services that you provide to your clients.

13. Provide a copy of your most recent Quality Review report including recommendations provided by the reviewer.

14. Fees –

Base audit cost:

For the year ending June 30, 2025	_____
For the year ending June 30, 2026	_____
For the year ending June 30, 2027	_____

Cost for Alternate Services:

_____	_____
_____	_____
_____	_____

Hourly rates for consulting services beyond the scope of the ordinary consultation services included in number 9 above.

Name of Firm: _____

Address: _____

Telephone: _____

(Please Type or Print) Name of Person in Charge of Audit

Title

Signature

Date

AUDIT PROPOSAL FORM - MAP

Please complete and return this proposal form with any additional information you feel is necessary to help us evaluate your firm. **Proposals are due by 2:00 pm on January 10, 2025.**

Qualifications

1. General information about the company, its Principals/Partners, and its history, including the state and date of incorporation.

2. Location of the office that will be performing the audit for Muskegon Area Intermediate School District

3. Expected staffing to perform the MAISD audit for the FY2025 school year:

	Yrs with Firm	Yrs school audits
Audit Manager	___	___
Audit Team Leader	___	___
Staff 1	___	___
Staff 2	___	___

4. Expected timeline to complete audit for the FY2025 school year:

Preliminary Fieldwork (usually prior to year-end)	___ days
On site Fieldwork	___ days
Off site Fieldwork	___ days
Review/Printing	___ days

5. Fees –

Base audit cost:

For the year ending June 30, 2025	_____
For the year ending June 30, 2026	_____
For the year ending June 30, 2027	_____

Cost for Alternate Services:

_____	_____
_____	_____
_____	_____

Hourly rates for consulting services beyond the scope of the ordinary consultation services included in number 4 above.

Name of Firm: _____

Address: _____

Telephone: _____

(Please Type or Print) Name of Person in Charge of Audit

Title

Signature

Date