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Business Office  
800 E. North Shore Dr.,  
Hartland, WI 53029

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**SCHOOL DISTRICT OF  
HARTLAND LAKESIDE  
JOINT 3  
REQUEST FOR  
PROPOSALS (RFP)**

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RFP 2018  
Audit Services

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May 11, 2018

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PROPOSALS DUE

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**NO LATER THAN 2:00  
P.M. CST ON**

***Friday, June 1, 2018***

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**SCHOOL DISTRICT OF  
HARTLAND LAKESIDE JOINT 3  
REQUEST FOR PROPOSAL  
AUDIT SERVICES**

I. INTRODUCTION

A. General Information

The School District of Hartland Lakeside Joint 3 is requesting proposals from licensed certified public accountant firms to audit its financial statements for the fiscal years ending June 30, 2019, 2020 and 2021 with the option of auditing its financial statements for the subsequent two (2) fiscal years. These audits are to be performed in accordance with the provisions included in this request for proposal:

To be considered, two (2) copies of a proposal must be received by Karen Obukowicz, Business Manager at 800 E. North Shore Drive, Hartland, WI 53029 by 2:00 p.m. on June 1, 2018. Faxed and/or emailed proposals will not be accepted. The School District of Hartland Lakeside Joint 3 reserves the right to reject any or all proposals submitted.

The School District of Hartland Lakeside Joint 3 reserves the right, where it may serve the District's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. At the discretion of the School District of Hartland Lakeside Joint 3, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

Submission of the 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 School District of Hartland Lakeside Joint 3 and the firm selected.

It is anticipated the selection of a firm will be completed by June 18, 2018. Following the notification of the selected firm it is expected a contract will be executed between both parties by June 29, 2018.

B. Term of Engagement

A three (3) year contract with annual renewals is contemplated, subject to satisfactory negotiation of terms and the concurrence of the Board of Education. The contract shall be effective on the contract execution date and shall run for three years from that date with an option by mutual agreement of the District and contractor to renew for two (2) additional one-year periods unless amended, cancelled or rebid.

## II. NATURE OF SERVICES REQUIRED

### A. Scope of Work to be Performed

The auditor will express an opinion on the fair presentation of its financial statements in conformity with accounting principles generally accepted in the United States of America.

The financial and compliance audit will involve all the School District of Hartland Lakeside Joint 3's funds and accounts. The auditor is required to analyze and apply audit procedures to the supplementary information in order to comply with reporting requirements as prescribed by Wisconsin Department of Public Instruction and the *State of Wisconsin Single Audit Guidelines*, issued by the Wisconsin Department of Administration.

An onsite audit of the District's elementary schools and middle school's activity fund's statement of receipts, disbursements and fund balances (cash basis) is required. The auditor will also include the activity fund audit in the final audit. If weaknesses are noted, appropriate recommendations should be reviewed with the Business Manager.

A membership audit of the third Friday of September and the second Friday in January Membership Reports, if required by the Department of Public Instruction.

Provide unlimited consultation during the year as requested.

### B. Auditing Standards

To meet the requirements of this request for proposals, the audit shall be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the *Government Auditing Standards*, issued by the Comptroller General of the United States; *Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments and Non Profit Organizations*; and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration.

### C. Reports

The auditor shall submit to the School District of Hartland Lakeside Joint 3 Board the following reports, with copies of each for transmittal to the Department of Public Instruction and other agencies as required:

1. Department of Public Instruction form PI 1506 AC internet filing and audit statements
2. Independent Auditors Report on financial statements of the governmental activities, each major fund, and the aggregate remaining fund information

3. Independent Auditor's Report on Internal Controls over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
4. Independent Auditor's Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with *OMB Circular A-133* and the *State Single Audit Guidelines*
5. Schedule of Findings and Questioned Costs
6. Summary Schedule of Prior Year Findings
7. A management letter, with appropriate recommendations, commenting on material weaknesses in internal accounting control, reportable conditions, and identifying possible noncompliance with finance related legal provisions
8. Student Activity Funds Audit Report
9. State Aid Membership audit reports as required by the Department of Public Instruction
10. Irregularities and illegal acts. Auditors are required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the following parties:
  - a. Superintendent of Schools
  - b. Business Manager
  - d. Board President

In the required report(s) on internal controls, the auditor shall communicate any significant deficiencies or material weaknesses found during the audit. A material weakness is defined as a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is defined as a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Control deficiencies not considered to be material weaknesses or significant deficiencies shall be reported in a separate letter to management, which shall be referred to in the report(s) on internal controls or communicated to management verbally during the audit.

The report on compliance shall include all material instances of noncompliance. All nonmaterial instances of noncompliance shall be reported in a separate management letter, which shall be referred to in the report on compliance

A minimum of ten (10) bound paper copies of each audit report is required as well as an electronic copy in PDF format.

D. 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 School District of Hartland Lakeside Joint 3 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:

School District of Hartland Lakeside Joint 3

Wisconsin Department of Public Instruction

U.S. General Accounting Office (GAO)

Parties designated by the federal or state governments or by the School District of Hartland Lakeside Joint 3 as part of an audit quality review process audit

In addition, the firm shall respond to the reasonable inquiries of successor Auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

E. Timing, Location, and Conduct of Audit Work

In addition to time requirements established by the Department of Public Instruction, the following conditions shall apply:

1. The District, expects to receive prior to June 1<sup>st</sup> of each year, a list of schedules to be prepared and other items required for the audit.
2. Pre-closing, interim, tests and procedures shall be conducted in June.
3. The final onsite audit will be scheduled between the selected audit firm and Business Manager for the month of August. The audit will be conducted on district premises. The District will provide space deemed adequate by the auditor to efficiently conduct the audit.
4. Adjusted trial balance figures are required by August 20th. Prior to completion of the onsite audit, the auditor will meet with the Business Manager to review adjusting journal entries, certify data for submission of the PI-1505AC, and review any adjustments or concerns that might affect the district completion of the PI-1505SE.

5. Audits of individual activity funds shall be conducted by June 1<sup>st</sup>, before school term employees leave for the summer.
6. Report completion and an exit conference are required by November 20th of each year.
7. Prior to submission of the completed report, the auditor will be required to review a draft of the proposed report and management letter with the Business Manager and the Superintendent. The management letter will be sent to the Superintendent.
8. The financial audit reports must be submitted to the District no later than November 10th of each year. The financial Audit Statement must be submitted to the Department of Instruction by December 1st.
9. The auditor will present the financial statement and management letter at a meeting of the School Board as requested.

### III. DESCRIPTION OF THE GOVERNMENT

#### A. Principal Contact

The auditors will report to the President of the School board and will receive information from the Business Manager or a designated representative, who will coordinate the assistance to be provided by the School District of Hartland Lakeside Joint 3 to the auditor.

#### B. Background Information

The School District of Hartland Lakeside Joint 3 is a K-12 district consisting of two (2) Elementary Schools, two (2) Elementary Charter Schools, one (1) Middle School, and one (1) Middle School Charter. The District General Fund budget is approximately \$13,800,000 and the All-Fund budget is approximately \$16,600,000.

Business Services Office personnel consist of the Business Manager, Accountant, Accounts Payable and HR/Payroll Coordinator.

The District uses the modified accrual accounting system designed by the Wisconsin Department of Public Instruction (WUFAR Accounting System). The District utilizes Skyward Business Suite and Skyward student management software packages.

#### C. Federal and State Financial Assistance

As part of the Single Audit Act, all Federal and State Finance Assistance received by the School District of Hartland Lakeside Joint 3 must also be audited. The School District of Hartland Lakeside Joint 3 receives approximately \$1,056,000 of Federal

grants and assistance from the U.S. Department of Education, U.S. Department of Agriculture, state of Wisconsin, and other entities.

#### IV. TIME REQUIREMENTS

##### A. Proposal Calendar

The following is a list of key dates up to and including the date proposals are required to be submitted:

Requests for proposals issued                      May 11, 2018

Questions submitted by                                May 18, 2018

Questions will be answered by                      May 21, 2018

Responses to questions posted                      May 23, 2018

Due Date for proposals                                June 1, 2018

##### B. Notification and Contract Dates

Selected firm presented to board                      June 18, 2018

Final approval from board and  
Contract date    June 29, 2018

##### C. Date Audit May Commence                      August 2019

The School District of Hartland Lakeside Joint 3 will have all records, posted statements, bank reconciliations, and other necessary reports ready for audit and all management personnel available to meet with the firm's personnel as of August 2019.

#### V. PROPOSAL REQUIREMENTS

##### A. General Requirements

###### 1. Proprietary Information

All restrictions on the use of the data contained within a proposal and all confidential information must be clearly stated. Proprietary information submitted in a proposal, or in response to the RFP, will be handled in accordance with the applicable Wisconsin State Statutes(s).

1. To the extent permitted by law, it is the intention of the District to withhold the contents of the proposal from public view unless there is a reason for disclosure in the opinion of the District. At that time, all proposals will be available for review in accordance with the Wisconsin Open Records Law.

2. Most of the communication regarding this procurement will be conducted by electronic mail (e-mail). Firms agree to provide the District with a valid e-mail address to receive this correspondence.
3. This RFP is being made available by electronic means. If accepted by such means, the firm acknowledges and accepts full responsibility to insure that no changes are made to the RFP. In the event of a conflict between a version of the RFP in the firms' possession and the version maintained by the District, the version maintained by the District must govern.

## Submission of Proposals

### A. PROPOSAL FORMAT

In order to simplify the review process and to obtain the maximum degree of comparability, proposals shall be organized as specified. Elaborate proposals (e.g. expensive artwork) beyond that sufficient to present a complete and effective proposal, are not necessary or desired.

The following material is required to be received by June 1, 2018 and shall be organized in the manner specified by the Request for Audit Proposals and in the following format for a proposing firm to be considered:

- a. A master copy (so marked) of a Technical Proposal and two (2) copies in a font size of 12 or larger on 8 1/2 X 11 sized paper to include the following:
  - i. Title page  

Title page showing the request for proposal's subject; the firm's name, address and telephone number of a contact person; and the date of the proposal.
  - ii. Table of Contents
  - iii. Transmittal Letter  

A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement of why the firm believes itself to be the best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for sixty days.
  - iv. Detailed Proposal  

THE DETAILED PROPOSAL SHOULD FOLLOW THE ORDER SET FORTH IN SECTION V-B (Technical Proposal for Audit Services) OF THIS REQUEST FOR PROPOSALS.

- b. The proposer shall submit an original cost bid in a separate sealed envelope using form “Bid Summary” as included in Appendix C of this RFP marked as follows:

SEALED DOLLAR COST BID PROPOSAL FOR SCHOOL DISTRICT OF  
HARTLAND LAKESIDE JOINT 3 PROFESSIONAL AUDITING SERVICES

- c. Proposer should send the completed proposal to the following address:  
School District of Hartland Lakeside Joint 3  
Attn: Karen Obukowicz  
Business Manager  
800 E. North Shore Drive  
Hartland, WI 53029

B. Technical Proposal for Audit Services

1. General Requirements

The technical proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposal requirements. As such, the substance of proposals will carry more weight than their form or manner of presentation.

THERE SHOULD BE NO DOLLAR UNITS OR TOTAL COSTS INCLUDED IN THE TECHNICAL PROPOSAL DOCUMENT.

While additional data may be presented, the following subjects, items No. 2 through 10, must be included. The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer’s capabilities to satisfy the requirements of the request for proposals. They represent the criteria against which the proposal will be evaluated.

2. Independence

The firm should provide an affirmative statement that it is independent of the School District of Hartland Lakeside Joint 3 as defined by generally accepted auditing standards/the U.S. General Accounting Office’s government Auditing Standards (2003). The firm should also list and describe the firm’s professional relationships involving the School District of Hartland Lakeside Joint 3 or any of its agencies for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

3. License to Practice in Wisconsin.

An affirmative statement should be included indicating that the firm and all assigned key professional staff are properly licensed to practice in Wisconsin.

4. Firm Qualifications and Experience

The proposal should state the size of the firm, the size of the firm's government 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 of the staff to be employed on a part-time basis.

The firm shall provide information on the results of the most recent peer review and the results of any Federal or State reviews of its audits during the past five (5) 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 five (5) years with state regulatory bodies or professional organizations.

5. Partner, Supervisory and Staff Qualifications and Experience

The firm should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement and indicate whether each such person is licensed to practice as a certified public accountant in Wisconsin. The firm also should provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past five (5) years and membership in professional organizations relevant to the performance of the audit.

The firm should provide as much information as possible regarding the number, qualifications, experience and training including relevant continuing professional education, of the specific staff to be assigned to this engagement. The firm also should indicate how the quality and consistency of staff over the term of the agreement will be assured.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the School District of Hartland Lakeside Joint 3. However, in either case, the School District of Hartland Lakeside Joint 3 retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

6. Prior Engagements with The School District of Hartland Lakeside Joint 3

The firm should list separately all engagements within the last five years for the School District of Hartland Lakeside Joint 3 by the type of engagement (i.e. audit, management advisory services, other). For each engagement, the firm should indicate the scope of work, date, engagement partners, total hours, the location of the firm's office from which the engagement was performed, and the name and telephone number of the principal client contact.

7. 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 ten) of at least five (5) Wisconsin school district clients performed in the last five years that are similar to the engagement described in this request for proposals. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

Please list how many existing engagements your firm has with Wisconsin public school districts.

8. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this request for proposals.

Firms are required to provide the following information on their audit approach:

- a. Proposed segmentation of the engagement
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement

NO DOLLARS SHOULD BE INCLUDED IN THE TECHNICAL PROPOSAL

- c. Sample sizes and the extent to which statistical sampling is to be used in the engagement
- d. Extent of use of EDP software in the engagement

- e. Type and extent of analytical procedures to be used in the engagement
  - f. Approach to be taken to gain and document an understanding of the School District of Hartland Lakeside Joint 3's internal control structure
  - g. Approach to be taken in determining laws and regulations that will be subject to audit test work
9. Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential Audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the School District of Hartland Lakeside Joint 3.

C. Sealed Dollar Cost Bid

1. Total All-Inclusive Maximum Price

The sealed dollar cost bid should contain all pricing information relative to performing the audit engagement as described in this request for proposals. The base bid amount is to contain all direct and indirect costs including all out-of-pocket expenses.

The School District of Hartland Lakeside Joint 3 will not be responsible for expenses incurred in preparing and submitting the technical proposal or the sealed dollar cost bid. Such costs should not be included in the proposal.

The sealed dollar cost bid sheet should include the following information:

- a. Name of Firm
- b. Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the bid and authorized to sign a contract with the School District of Hartland Lakeside Joint 3.
- c. A fixed price (Base Bid) for auditing services consistent with auditing standards at that time for the 2019, 2020 and 2021 engagements.
- d. A fixed discount amount in each year of service should the District elect to prepare the notes to the financial statements, schedule of federal and state financial assistance for the single audit report, data collection form, government wide financial statements in addition to required reconciliation, confirmations, schedules, management discussion and analysis and disclosure checklist.

2. A fixed price (Base Bid) for membership audit in each year of engagement if necessary.

The sealed dollar cost bid should include a description of what services are considered to be outside the scope of the audit base bid

The sealed dollar cost bid should state the audit firm's fee structure, hourly rates, and all other costs.

3. The sealed dollar cost bid should list the hourly rate for additional auditing services if required by the client for each year of engagement.

4. Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the agreement and out-of-pocket expenses incurred in accordance with the firm's dollar cost bid proposal. Interim billings shall cover a period of not less than a calendar month. Ten percent (10%) will be withheld pending delivery of the firm's final reports.

## District Rights

The District reserves the right to do the following at any time:

1. Reject any or all proposals without indicating any reasons for such rejection;
2. Waive or correct any minor or inadvertent defect, irregularity or technical error, in a proposal or the RFP process, or as part of any subsequent contract negotiation;
3. Request that respondents supplement or modify all or certain aspects of their proposals or other documents or materials submitted;
4. Terminate the RFP, and at its option issue a new RFP;
5. Procure services specified in this RFP by other means;
6. Modify the selection process, the specifications or requirements for materials or service or the contents or formats specified in this RFP, including deadlines for accepting proposals;
7. Negotiate with any or none of the respondents;
8. Modify in the final agreement any terms and/or conditions described in this RFP
9. Terminate failed negotiations with a respondent without liability and negotiate with other respondents;
10. Accept all or a portion of a respondent's proposal.

## Disqualification

1. Late Proposals  
Proposals that are received after the deadline date and time will be disqualified.
2. Nonresponsive Proposals  
Proposals which are not responsive or which fail to comply with mandatory requirements of the RFP shall be deemed nonresponsive and shall be disqualified. Nonresponsive proposals shall include, but not be limited to, those that fail to address or meet any mandatory item and those submitted in insufficient number. The District reserves the right to disqualify those from consideration those responses that are submitted in an incorrect format.
3. Collusion  
Collusion by two (2) or more firms agreeing to act in a manner intended to avoid or frustrate fair and open competition is prohibited and shall be grounds for rejection or disqualification of a proposal or a contract.
4. Debarred Bidders or Subcontractors  
A firm who is currently subject to state or federal debarment order or determination shall not be considered for evaluation by the procurement team.
5. A firm may be disqualified on the basis of a real or apparent conflict of interest that is disclosed by the proposal or other data available to the District.

## VI. EVALUATION PROCEDURES

### A. Administrative Review

Proposals submitted will be evaluated by the Superintendent and Business Manager.

B. Review of Proposals

The Administrative Review will consist of a point formula during the review process to score proposals by each of the criteria described below.

After the composite technical score for each firm has been established, the sealed dollar cost bid will be opened and additional points will be added to the technical score based on the price bid.

C. Evaluation of Proposals

The following is intended to give a brief description of the steps that will be used in the evaluation of the proposals. The evaluators will compare the relative merits of alternative audit approaches and will assess the hours required by staff level to complete the various segments of the audit as well as determine if the experience of assigned staff is adequate for the type of audit desired.

	<b>Technical Criteria</b>	<b>Point Range</b>
1.	Responsiveness of the proposal in clearly stating an understanding of the work to be performed (0-45)	
a.	Audit Coverage Adequacy of sampling techniques Adequacy of analytical procedures	0-20
b.	Realistic time estimates of each major segment of the work plan and the estimated number of hours for each staff level including consultants assigned	0-10
c.	Copy of an audit conducted last year for another district similar to the School District o Hartland Lakeside Joint 3	0-15
2.	Technical experience of the firm (0-40)	
a.	Auditing of the type under consideration	0-15
b.	Auditing similar entities (size/budget)	0-20
c.	Firm or staff auditing experience with this district	0-5
3.	Qualifications of staff, including consultants, to be assigned to the audit.  Education, including continuing education courses taken during the past two years, position in the firm, and years and types of experience will be considered. This will be determined from the resumes submitted (0-30)	
a.	Qualifications of the audit team	0-20

b.	Supervision to be exercised over the audit team by the firm's management	0-10
4.	Size and structure of the firm	0-10

TOTAL TECHNICAL POINTS 0-125

	<b>Cost Criteria</b>	<b>Point Range</b>
1.	Cost of the Audit	0-25
	TOTAL COST POINTS	0-25
	MAXIMUM POINTS	0-150

In the event that oral interviews are necessary, additional points will be given on a scale of 0-25. While the total score will be a significant factor, the District reserves the right to make a final selection.

D. Oral Presentations

During the evaluation process, the Business Manager has the discretion to request any one or all firms to make oral presentations. Such presentations may provide firms with an opportunity to answer any questions on a firm's proposal. Not all firms may be asked to make such oral presentations. The District will make every reasonable attempt to schedule each presentation at a time and location that is agreeable to the firm. Failure of a firm to conduct an interview or permit a site-visit on the date scheduled may result in a rejection of the vendor's proposal.

E. Final Selection

The School District of Hartland Lakeside Joint 3 Board of Education will select a firm based upon the recommendation of the Business Manager, Superintendent and Finance Committee. It is anticipated that a firm will be selected by June 18, 2018. Following notification of the firm selected, it is expected a contract will be executed between both parties by June 29, 2018.

F. Right to Reject Proposals

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 School District of Hartland Lakeside Joint 3 and the firm selected.

The School District of Hartland Lakeside Joint 3 reserves the right without prejudice to reject any and all proposals.

## VII. GENERAL PROPOSALS CONDITIONS

- A. All proposals are to be submitted according to the attached outline.
- B. All proposals must be submitted prior to 2:00 pm on June 1, 2018 in sealed envelopes marked "Audit Proposal", addressed to: Karen Obukowicz, Business Manager, School District of Hartland Lakeside Joint 3, 800 E. North Shore Drive, Hartland, WI 53029. Proposals must be received by the specified time stated above. Proposals not received in time will be returned unopened.
- C. Faxed, verbal or emailed proposals will not be accepted.
- D. Proposals shall be irrevocable until contract award unless the proposal is withdrawn. Firms may withdraw a proposal in writing at any time up to the proposal closing date. To accomplish this, the written request must be signed by an authorized representative of the firm and submitted to the Superintendent. If a previously submitted proposal is withdrawn before the proposal date and time the proposer may submit another proposal up to the proposal date and time.
- E. The Board reserves the right to accept or reject any or all proposals and to waive any informality in the proposal process. Furthermore, the District reserves the right to select the proposal considered to be in the best interest of the School District of Hartland Lakeside Joint 3 and to negotiate any modifications to the proposal deemed appropriate.
- F. All proposals are to be signed by an authorized representative of the firm.
- G. Provide a statement regarding the firm's ability to assure the District of its ability to maintain reasonable continuity in the assignment of audit staff on a year-to-year basis.
- H. Provide a minimum of five (5) references with the following information: name and title of contact, name of the organization, address and telephone number, scope and date of work performed.
- I. The firm shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or be in connection with performance of the work hereunder by the individual or the firm, his agent's representatives, or employees. The cost of such insurance shall be included in the proposal.
- J. In addition to preparing the management discussion and analysis (MD&A) and disclosure checklist, provide the District the option to prepare the annual financial statements, notes to the financial statement schedules, schedule of federal and state awards, required supplementary information and data collection form as requested. Provide the amount for each contract year that District can discount the annual fee should it elect to prepare the audit package in that year. If no discount is noted than

it will be assumed that the firm will provide a fee discount for client preparation of any part of the audit package other than the MD&A and disclosure checklist.

K. Revisions to this proposal may be made by an official written amendment issued by the District.

L. Clarification and/or revisions to the specifications and Requirements:

Questions or requests for additional information concerning this request for proposal must be received by May 18, 2018 and should be addressed to: Karen Obukowicz, Business Manager, kobkuwicz@hartlake.org

Vendors are expected to raise any questions, exceptions, or additions they have concerning the RFP document at this point in the RFP process. If a vendor discovers any significant ambiguity, error, conflict, discrepancy, omission, or other deficiency in this RFP, the vendor should immediately notify the above named individual of such error and request modification or clarification of the RFP document.

In the event that it becomes necessary to provide additional clarifying data or information, or to revise any part of this RFP, revisions/amendments and/or supplements will be provided to all recipients of this initial RFP.

Each proposal shall stipulate that it is predicated upon the terms and conditions of this RFP and any supplements or revisions thereof.

Answers to the questions and/or additional information supplied will be provided to respondents by May 23, 2018 via the districts website.

An electronic version of this RFP is available on the Districts web site: <http://hartlake.org>

## VIII. SPECIAL CONTRACT TERMS AND CONDITIONS

### A. Additional Services

The audit firm shall provide audit services for any additional required audits, e.g. a mandated membership audit as necessary. The hourly cost for these services must be included on the cost summary page.

If services are performed by the audit firm in addition to the specified audit services, the audit firm will supply time records and service descriptions to validate any invoiced charges.

No plea of mistake for this proposal shall be made available to the undersigned audit firm.

### B. Hold Harmless

In submitting a proposal, the firm understands that the District and its representatives will determine which proposal is accepted. The firm waives any right to claim damages of any nature, whatsoever, based on the selection of the successful firm. All completed proposals

and supporting documentation submitted shall be the property of the School District of Hartland Lakeside Joint 3.

C. Additional Terms

The District shall not be bound by any terms and conditions included in a proposer's packaging, service catalog, brochure, technical data sheet or any other document which attempts to impose any conditions or variance with or in addition to the terms and conditions contained in this solicitation or contract. If the proposer object to any term or condition that shall relate to a contract resulting from this solicitation, the objection shall be clearly stated on a separate page entitled "Objection to Term or Condition" and placed in the proposal immediately after the executive summary.

D. Termination of Contract

The District may terminate the contractor at any time at its sole discretion by delivering ninety (90) days written notice to the contractor. Upon termination, the District's liability will be limited to the pro rata cost of the services performed as of the date of termination plus expenses incurred with the prior written approval of the District. In the event that the contractor terminates the contract, for any reason whatsoever, it will refund to the District within ninety (90) days of said termination, all payments made hereunder by the District to the contractor for work not completed or not accepted by the District. Such termination will require written notice to that effect to be delivered by the contractor to the District not less than ninety (90) days prior to said termination.

IX. DISTRICT INFORMATION

The School District of Hartland Lakeside Joint 3 is a PreK-8 district consisting of approximately 1159 students. The District general fund is approximately \$13,800,000.

- A. The District's current budget documents for the past 6 years may be viewed at <http://hartlake.org/annual-report-and-final-budget/>.
- B. The successful bidder will understand the importance of partnership and 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 questions for continuous improvement and or new implementation of accounting rules, account codes and/or financial procedures.
- C. The District's prior auditors were Baker Tilly, 777 E. Wisconsin Ave., Milwaukee, WI 53202

D. The District has the following locations:

<b>School Name</b>	<b>Street</b>	<b>City</b>	<b>State</b>	<b>Zip</b>	<b>Enrollment</b>	<b>Current Grades</b>
Hartland North Elementary	232 Church Street	Hartland	WI	53029	365	K3-2
Hartland Fine Arts Leadership Academy	232 Church Street	Hartland	WI	53029	61	5K-2
Hartland South	651 E. Imperial Dr.	Hartland	WI	53029	260	3-5
Hartland School of Community Learning	651 E. Imperial Dr.	Hartland	WI	53029	84	3-5
North Shore Middle School	800 E. North Shore Dr.	Hartland	WI	53029	328	6-8
LIFE Entrepreneurial School	800 E. North Shore Dr.	Hartland	WI	53029	61	6-8

E. Additional District Information:

- a. The District's fiscal year runs from July 1 through June 30
- b. The audit will cover all programs of the District including but not limited to the general fund, gift fund, debt service funds, food service fund, capital project funds, student activity funds and federal programs.
- c. Office space will be provided in close proximity to financial records and District finance personnel. Telephones will be made available as well as the use of a copy machine during the engagement. The auditors will be required to provide their own equipment and other office materials.

X. Appendixes

- a. Management Letter for the year ended June 30, 2017
- b. District Organizational Chart
- c. Bid Summary Form



INDEPENDENT AUDITORS' REPORT

To the Board of Education  
Hartland-Lakeside Joint No. 3 School District  
Hartland, Wisconsin

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Hartland-Lakeside Joint No. 3 School District, Wisconsin, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Hartland-Lakeside Joint No. 3 School District's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control over financial reporting relevant to the Hartland-Lakeside Joint No. 3 School District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Hartland-Lakeside Joint No. 3 School District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



To the Board of Education  
Hartland-Lakeside Joint No. 3 School District

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Hartland-Lakeside Joint No. 3 School District, Wisconsin, as of June 30, 2017 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hartland-Lakeside Joint No. 3 School District's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

To the Board of Education  
Hartland-Lakeside Joint No. 3 School District

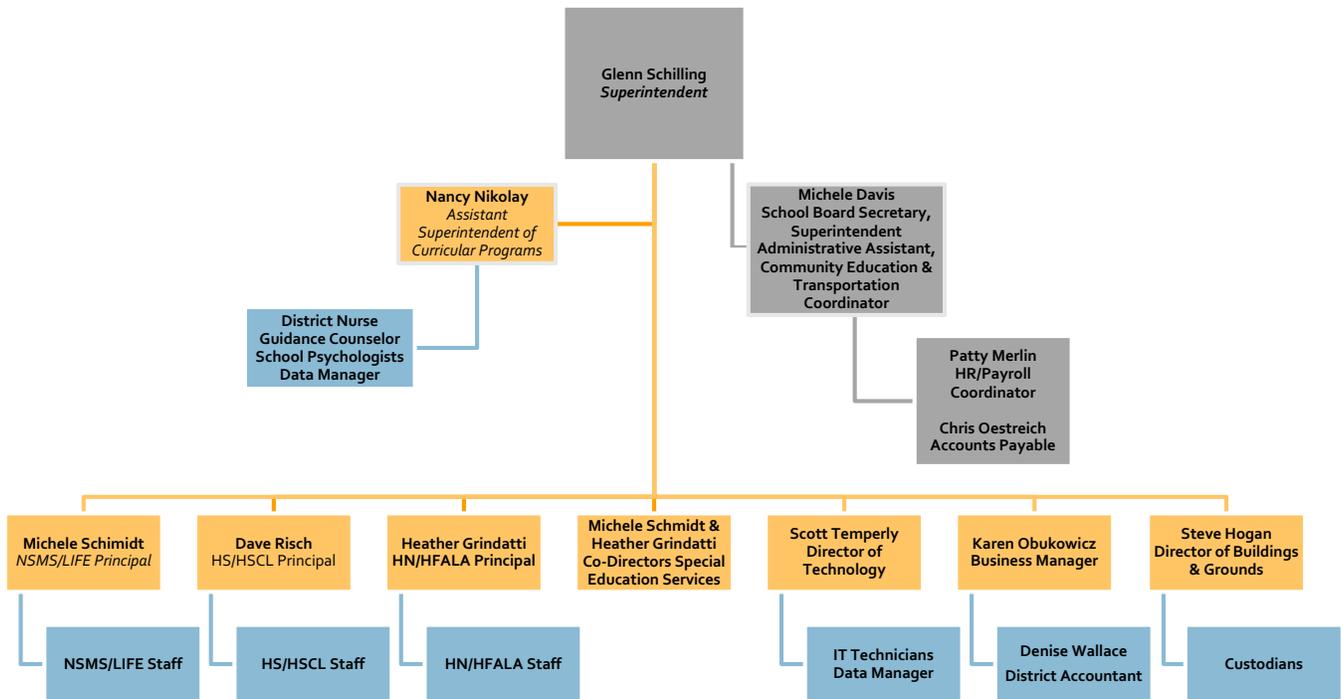
**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2018 on our consideration of the Hartland-Lakeside Joint No. 3 School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Hartland-Lakeside Joint No. 3 School District's internal control over financial reporting and compliance.

*Baker Tilly Virchow Krause, LLP*

Milwaukee, Wisconsin  
March 27, 2018

# HARTLAND LAKESIDE JOINT 3 ORGANIZATIONAL CHART



**Bid Summary Form (separate sealed envelope)**

<b>Item Description</b>	<b>Cost</b>
Auditing Services for 2018-19 (base bid)	\$
Auditing Services for 2019-20 (base bid)	\$
Auditing Services for 2020-21 (base bid)	\$
<b>Total three (3) year base bid</b>	<b>\$</b>
Membership Audit for 2019 if necessary	\$
Membership Audit for 2020 if necessary	\$
Membership Audit for 2021 if necessary	\$
Additional Auditing Services for 2018-19 (hourly) if necessary	\$
Additional Auditing Services for 2019-20 (hourly) if necessary	\$
Additional Auditing Services for 2020-21 (hourly) if necessary	\$
Discount each audit services engagement for client preparation of the audit package to be subtracted from the base bid if client elects to perform the services	(\$)

**What services are considered to be outside the scope of the base bid?**

**Please state the audit firm's fee structure, hourly rates and other costs?**