

# City of Waterloo, Wisconsin

## Request for Proposals

### Audit Services



**Submission Date: July 19, 2012 @ 4:00 p.m.**

Issued by:

Mo Hansen, Clerk/Treasurer  
City of Waterloo  
136 N. Monroe Street  
Waterloo, WI 53594  
920-478-3025  
920-478-2021 (fax)  
[cityhall@waterloowi.us](mailto:cityhall@waterloowi.us)  
[www.waterloowi.us](http://www.waterloowi.us)

## REQUEST FOR PROPOSALS

To Whom It May Concern:

The City of Waterloo invites qualified firms to submit Municipal Audit Service Proposals. The City is seeking a firm to provide audit services for a multi-year period.

To receive consideration, responses must be submitted in accordance with the following instructions:

1. All response submittals shall be sealed and delivered to:  
City of Waterloo  
Attn: Clerk/Treasurer  
136 N. Monroe Street  
Waterloo, WI 53594
2. Submit eleven (11) copies of the Proposal by 4:00 p.m. on July 19, 2012
3. The envelope must be clearly marked “PROPOSAL – AUDIT SERVICES”
4. Include with your submittal a cover letter addressed to Mo Hansen, Clerk/Treasurer. The cover letter should be signed by a person legally authorized to bind the firm to its submitted response. The cover letter must include the firm name along with all relevant contact information of the legal authority.
5. If you have any questions, please contact Mo Hansen, Clerk/Treasurer at 920-478-3025 or [cityhall@waterloowi.us](mailto:cityhall@waterloowi.us)
6. The City of Waterloo reserves the right to reject any and all responses, to waive informalities, and has the right, at its sole discretion, to accept the submittal it considers most favorable to the City's interest.

## **OBJECTIVES AND SCOPE OF WORK**

The City of Waterloo located in Jefferson County Wisconsin invites qualified, independent certified public accountants, licensed to practice in the State of Wisconsin, to submit proposals for providing professional auditing services.

The primary requirement will be a full-scope audit examination, in accordance with generally accepted auditing standards, of the financial statements and supplemental schedules for all funds included in the City of Waterloo Annual Financial Statements for three separate years ending December 31, 2012, December 31, 2013, and December 31, 2014. The firm is expected to comply with all applicable Wisconsin general statutes and financial reporting requirements.

The Common Council will award an initial three-year contract with the option of renewal for one additional two-year term.

The firm selected will issue management letters to the Mayor and Common Council after completion of the audit; assist the City's management staff in advice and counsel for implementing those recommendations as required; and provide, as necessary, advice and counsel on matters having a significant effect on the financial operations of the City.

In addition, the firm selected may also be asked to examine other reports or perform other services as required or requested by the City.

## **PERFORMANCE SPECIFICATIONS – BASIC SERVICES**

### **1. Basic Services**

- a. The audit shall be a financial review of all Governmental, Proprietary, and Fiduciary Funds of the City of Waterloo -- with the exception of the Waterloo Water & Light Enterprise Fund.
- b. Required services consist of an examination of the City's financial statements, along with a review of internal accounting controls and compliance with pertinent laws and regulations. This examination is to be performed in accordance with generally accepted auditing standards as promulgated by the American Institute of Certified Public Accountants.
- c. The firm shall prepare the annual Financial Report Form C for Wisconsin municipalities, required by the State of Wisconsin, Department of Revenue, and Bureau of Local Financial Assistance.
- d. The firm shall conduct an audit as required by the Single Audit Act, OMB Circular A-128, and any other required Federal/State Grant Audits.
- e. The firm shall conduct an audit as required by the Wisconsin Department of Revenue for purposes of complying with regulations pertaining tax incremental finance districts.

### **2. Works Products**

- a. The firm shall provide final audit reports, the financial statements, footnotes and schedules, the management letters and quantities of each in accordance with the following schedule:
  - i. Financial Report Form C, State of Wisconsin – May 1<sup>st</sup> of each year for the prior year
  - ii. Annual Financial Report for Municipalities – May 1<sup>st</sup> of each year

- iii. Financial Statements – June 1<sup>st</sup> of each year (15 final copies)
  - iv. Report on Internal Control – June 1<sup>st</sup> of each year
  - v. Management Letter – June 1<sup>st</sup> of each year
  - vi. Single Audit Reports – June 1<sup>st</sup> of each year or as needed
- All documents shall also be provided as a searchable pdf document.

- b. The firm shall submit a management letter incorporating recommendations for the improvement of the system of internal control, accounting procedures, and efficiency. Such letters shall be based upon observations made during the course of the audit.

### 3. Other Services

- a. The firm will hold a conference with appropriate City Staff upon completion of field work to review the preliminary audit results.
- b. At the conclusion of the audit, a representative of the accounting firm will be expected to appear before the Common Council to explain the financial reports and to discuss the findings resulting from the audit.
- c. Including the presentation of the financial statements, a representative may be expected to be available at two (2) daytime or evening meetings throughout the year on an as-needed basis, at no additional cost to the City.
- d. The selected firm shall be available to provide other budgeting, accounting, and management consulting services as requested by the City, with compensation to be agreed upon in accordance with the schedule of fees.

### **ADDITIONAL REQUIREMENTS**

- 1. Certificates of Insurance meeting the general requirements for a municipal accounting firm shall be forwarded to the Clerk/Treasurer's office within 30 days of the execution of a contract.
- 2. An itemization of charges shall be provided on all bills.
- 3. Progress payments may be billed monthly for services rendered in the prior month.
- 4. Final payment will be made after receipt of financial reports and presentation to the governing body.

### **SELECTION CONSIDERATIONS**

All eligible proposals will be reviewed by the Mayor, Clerk/Treasurer and the City's Finance, Insurance & Personnel Committee.

The City's Finance, Insurance & Personnel Committee will evaluate all proposals and submit a recommendation to the Mayor and Common Council for their final approval.

The Committee may request the top qualified firms to appear before the Committee or the Common Council for interviews.

An important part of the evaluation and selection process will be your response to these considerations  
Criteria shall be judged and weighted as follows:

Selection Criteria	Relative Weight
Prior Experience and Staff	50
Work Plan	25
Fees	25

Prior experience and staff information should address identifying key staff members who would be assigned to the audit, identifying current municipal auditing engagements in Wisconsin cities with populations of 2,500 to 5,000, and describing the firm’s experience with Caselle Classic version 2.16 accounting software or relevant experience with other governmental accounting software.

Work plan information should address the firms approach, the estimated hours to perform an examination of all funds included in the City’s annual financial statement for each of the years ending December 31, 2012, 2013 and 2014. Also explain how you would propose to use City personnel to assist you prior to and during the audit and indicate approximate time requirements.

Fee information should include an estimate for the maximum fee associated with your examination for each year. Indicate the method to be used in each subsequent year to adjust the audit fee, should the contract be extended. Indicate an hourly rate for the Basic Services and Work Projects listed.

**GENERAL INFORMATION**

The City is home to 3,334 residents and is located between Madison and Milwaukee. The City covers four square miles. It employs 23 full-time employees and 100-115 part-time employees. The City operates under a Mayor/Council form of government and has an appointed Clerk/Treasurer, whose office handles all accounting functions with the exception of the Waterloo Water & Light enterprise fund. Complete information on City operations is available by reviewing the City’s annual budget.

The 2011 General Fund operating budget is \$1,212,042.

Location of Administrative Services: The Waterloo Municipal Building is located at 136 North Monroe Street, Waterloo Wisconsin. All financial records are available in the Clerk/Treasurer’s office. The prior five years audits and prior three years of city budgets are available on the City’s website: [www.waterloowi.us](http://www.waterloowi.us)

Description of the Accounting System: The City of Waterloo general ledger system, including accounts payable, payroll, fixed assets and other relevant data is maintained using Caselle accounting software. See <http://www.caselle.com/> for more information. All of the software resides on file servers at the City.

Estimated Volumes of Financial Transactions:

Receipts	800		Journal entries, in-house	400
General operating checks	1,550		Journal entries, by auditor	1 – 5
Payroll checks	1,350		Real estate bills	1380
Budget amendments	4		Personal property tax bills	120

List of Governmental Funds:

100	General	300	General Debt Service
200	Cable TV	400	Capital Projects
201	Storm Water Impact Fee	402	Special Assessments
202	Public Works Impact Fee	410	TIF District No. 1
203	Park & Rec Impact Fee	412	TIF District No. 2
204	Sanitary Sewer Impact Fee	413	TIF District No. 3l
205	Water Impact Fee	810	Library Memorial
220	Active Fire – Operating	812	Clark Memorial (Library)
		820	Park Trustees/Carousel

**SPECIAL NOTE**

Proprietary Fund – The city maintains one proprietary fund (Waterloo Water & Light) which is an enterprise fund. A stand alone audit is carried out for this fund under the auspices of Waterloo Water & Light Commission. Auditing services for this fund are not to be included in the proposal.

**ADDITIONAL GENERAL INFORMATION**

See <http://www.waterloowi.us> for additional background information.

**TIMETABLE**

- Request for proposals made public – July 2, 2012
- Proposals due to the City – July 19, 2012
- Internal review of submittals – July 19 – July 26
- Proposal review completed by Finance, Insurance & Personnel Committee – August 16, 2012
- Notification from Clerk/Treasurer to all firms not selected for interview – to be determined
- Interview with Finance, Insurance & Personnel Committee (if needed) – August 16, 2012
- City Council action – tentative, September 6, 2012
- Complete and execute a contract for service – to be determined