

**CITY OF BEMIDJI
REQUEST FOR PROPOSALS
MUNICIPAL AUDITING AND FINANCIAL SERVICES**

STATEMENT OF PURPOSE:

The City of Bemidji is requesting proposals from qualified accounting firms to audit its financial statements for the fiscal year ending December 31, 2024, with an option for each of the two subsequent years.

These audits are to be performed 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, as well as the provisions of the Minnesota Legal Compliance Audit Guide for Local Government and requirements of the Office of State Auditor.

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

DESCRIPTION OF THE GOVERNMENT:

The City of Bemidji was incorporated as a municipality in 1898 and operates under a council-manager form of government. The Council consists of a Mayor and six Council Members. In 2024, the City has averaged approximately 129 full time employees, with a General Fund budget of \$8.8 million. The City enterprise funds include water, sewer, storm water and refuse utility funds as well as two City owned off-sale liquor stores. Inventory audit procedures will be required for liquor store operations. More information about the City can be obtained on our web site at www.ci.bemidji.mn.us.

The financial statements must include all the funds of the City of Bemidji as well as its component units. The following component unit is to be included in the City's reporting entity because of the significance of the operational and financial relationship with the City:

- City of Bemidji Economic Development Authority

The City of Bemidji Housing and Redevelopment Authority is a related organization to the City with a June 30th year end. It is not reported as a component unit but requires a separate audit report. The fee for auditing this related organization must be included in the quoted price of the City audit.

The auditor's principal contact at the City will be Donna Coe, Finance Director, who will coordinate assistance provided by the City.

During the year the City may receive funds from various federal, state, local, and other agencies. This financial assistance may be in the form of grants, contracts, or loans.

TIME REQUIREMENTS:

The following timeline of events is anticipated in the RFP process:

- Advertise for RFP October 2024
- Deadline to receive proposals November 2024
- Recommendation to City Council December 2024

The City of Bemidji will have records available for audit fieldwork beginning approximately March 15th. The City will be flexible in scheduling of audit fieldwork; a draft copy of the audit report must be available by June 1st. Final copies of the audit report must be received by June 15th. Exceptions to these deadlines can only be made by the Finance Director.

Finance Staff will be available to assist the audit firm during a mutually agreed upon time for preparation and fieldwork. The City will provide a reasonable work area for audit staff during fieldwork.

REQUIRED REPORTS:

The auditor is requested to provide fifteen hard copies and one electronic file (pdf format) of the audit reports which include the following items:

1. A report on the fair presentation of the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information in conformity with generally accepted accounting principles.
2. Appropriate and required notes to the basic financial statements.
3. A report on compliance and internal controls over financial reporting based on an audit of the financial statements.
4. A report on compliance and internal control over compliance applicable to each major federal program.

In the required reports on compliance and internal controls, the auditor shall communicate any reportable conditions found during the audit. In addition, the following conditions shall be considered reportable:

- Applicable categories of the Minnesota Legal Compliance Guide for Local Government.

Drafting of the audit report is not completed by City staff but is to be included as part of the audit proposal and fee. The City recognizes this creates a reportable finding in accordance with Government Audit Standards.

The auditor shall observe the adequacy of the internal control system. If weaknesses are noted, appropriate recommendations should first be reviewed with the City Manager and included in a separate management letter.

Irregularities and illegal acts shall be disclosed in writing immediately to the City Manager.

WORK PAPERS:

If requested by the City, the auditor shall provide one copy of all work papers and adjusting and reclassifying journal entries within 30 days of such request. The auditors will also make available all work papers as requested by any subsequent audit firm.

OTHER REQUIRED SERVICES:

Financial services other than audit services which are to be included in the proposed fees include the following:

- Preparation of Tax Increment Financing Annual Reports
- Office of State Auditor Annual City Financial Reporting Form
- Maintenance and updating of City fixed asset/depreciation records
- Determination of major funds

Other services may be requested as necessary and will be billed at hourly rates of the individuals performing requested duties. These services may include, but are not limited to, the following:

- Technical assistance in tax increment and audit issues
- Other financial assistance as requested

The City requires the proposal to include the staff assigned to the audit, title, and normal hourly billing rate.

EVALUATION PROCEDURES:

Proposals will be rated using a point system. Proposals will be evaluated using three criteria: Mandatory, Technical Quality and Price. Firms may be requested to make oral presentations.

The City Council will select a firm based upon staff recommendations. It is anticipated a firm will be selected by December 2024. An executed contract between both parties will be signed shortly thereafter.

The City reserves the right to reject any or all proposals.

TERMS OF CONTRACT:

The City shall pay the audit firm a lump sum for the examination of each year. The cost of the audit services described above (including the City of Bemidji Housing and Redevelopment Authority) shall be bid as follows:

Year 2024	\$ _____
Year 2025	\$ _____
Year 2026	\$ _____

Cost will not be the primary factor in the selection of an audit firm.

Either party can terminate the contract. Written termination must be received no later than August 1st of each year.

PROPOSAL SUBMISSION:

Proposals, including a copy of the firm's most recent Quality Review Report, must be submitted to Michelle Miller, City Clerk, City of Bemidji, 317 4th St NW, Bemidji, MN 56601 by **4:30 p.m. on November 15th, 2024.**

Inquiries concerning the proposal may be submitted to Donna Coe, Finance Director, at the above address, e-mail at donna.coe@ci.bemidji.mn.us or by telephone at 218-759-3568.