



The Library Network

Libraries Working Together

41365 Vincent Court, Novi, MI 48375
Phone: (248) 536-3100 Fax: (248) 536-3098
Online: <http://tln.lib.mi.us>

August 10, 2015

Invitation to Bid

The Library Network (TLN) invites qualified independent auditors having sufficient governmental accounting and auditing experience in performing an audit in accordance with the specifications outlined in this Request for Proposal (RFP) to submit a proposal. Specifications for bidding this service and information about the library cooperative follow.

Audit Type

The financial and compliance audit will cover federal, state, and local funding sources in accordance with generally accepted auditing standards; *Government Auditing Standards*, July 2011 revisions; the Single Audit Act of 1984; the Single Audit Act Amendments of 1996; the provisions of OMB Circular No. A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, including revisions published in *Federal Register* June 27, 2003 and June 26, 2007; the State Single Audit Implementation Act; and all other applicable laws and regulations.

Period

TLN intends to continue the relationship with the auditor for three years with an option for a fourth and fifth year. The option years of the agreement are subject to annual governing board approval after the original three years are completed. TLN reserves the right to request proposals at any time following the third year of the contract. Please, prepare proposals for the three years:

October 1, 2014 to September 30, 2015
October 1, 2015 to September 30, 2016
October 1, 2016 to September 30, 2017
Option Year - October 1, 2017 to September 30, 2018
Option Year - October 1, 2018 to September 30, 2019

Requirements

The audit must be conducted in accordance with generally accepted auditing standards; *Government Auditing Standards*, July 2011 revisions issued by the Comptroller General of the United States; Office of Management and Budget Circular No.A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, including revisions published in *Federal Register* June 27, 2003 and June 26, 2007; the State Single Audit Implementation Act of 1996, and any other applicable procedures for the audit of a government's financial statements prepared in accordance with GAAP.

The auditor will be ultimately responsible for the preparation, typing, proofing, printing, and copying of the Financial Statements, Required Supplemental Information and compliance reports. TLN Controller will prepare most year-end adjusting journal entries and be actively involved in the MD&A, and other schedules section preparation. The auditor will submit a draft of the Financial Statement to be reviewed in detail by the Controller and present the draft audit to TLN Finance Committee. This draft should be submitted to the Controller in time to allow ample review and corrections prior to the Finance Committee Meeting. **The timing of this should insure final completion of the Financial Statements no later than January 31st. The auditors will present at the regularly scheduled TLN Board meeting in February.**

TLN prefers year-end fieldwork should begin late November and last no longer than one week. The Controller will expect a listing of requested information needed for the audit.

20 copies of each audit report, management letter, and other applicable reports must be supplied to the Controller within the time frame cited above. In addition, the auditor is responsible for submitting the required two copies to the staff of the State of Michigan.

The working papers shall be retained and made available upon request for no less than three years from the date of the audit report.

In the event that circumstances arise during the audit that require work to be performed in excess of the original estimates, any additional costs will be negotiated prior to commencement of the work and an amended contract will be approved by TLN Board.

Audit Contract & Payment of Audit Fees

The audit contract must be approved by TLN Board. Interim or progress billings will be accepted up to 75% of the total fee prior to submission of the audited financial statements to the Board and their approval of the audited financial statements.

Description of Selection Process

Those bidding to provide audit services should submit the following:

1. A history of the firm.
2. Names of libraries, school districts, governmental units or non-profit organizations currently being audited by the firm, or whose audit was completed in the past 12 months.
3. Names and resumes of the individuals who would be performing the audit for our library cooperative.
4. Specify costs using the format below for the audit year October 1, 2014 to September 30, 2015. For the following two audit years, which follow, please list increases if any.

A. Personnel costs – Itemize the following for each category of personnel (partner, manager, senior, staff accountants, clerical, etc.) with the different rates per hour.

1) Estimated hours.

2) Rate per hour.

3) Total cost for each category of personnel and for all personnel costs in total.

B. Travel – itemize transportation and other travel costs separately.

C. Cost of supplies and materials.

D. Other costs – completely identify and itemize.

E. If applicable, note your method of determining increases in audit costs on a year to year basis

5. Please list any other information the firm may wish to provide.

6. Please include the Summary of Audit Costs Sheet with your proposal.

Time Schedule for Awarding the Contract

Bids must be submitted to Rick Rosekrans, Controller, The Library Network, 41365 Vincenti Ct., Novi, Michigan, 48375, **no later than 5:00 p.m. on Friday, September 18, 2015. Bids may also be sent via email.** The Library Network reserves the right to accept or reject any or all bids. If any additional information is required, please contact Rick Rosekrans, Controller, 248-536-3100 x102 or rosekrans@tln.lib.mi.us.

The Controller will review the proposals and make a recommendation to the Board at which time the contract will be awarded.

Entity

The Library Network (TLN) is an autonomous entity of the State of Michigan, created by Public Act 89 of the state legislature in 1977. There are eleven autonomous entities, commonly referred to as library cooperatives that operate in Michigan. TLN's funding derives from State Aid and fees from its member libraries. Its members are public libraries, and those academic libraries, corporate libraries and school libraries that join as affiliate members.

The member libraries receive services from TLN such as delivery, contract negotiation to gain discounts on books, magazines and equipment, an automation system designed for libraries and continuing education classes.

TLN provides services to libraries in Wayne County excluding Detroit, Oakland County, St. Clair County, Livingston County and Washtenaw County. In some instances, TLN contracts to provide services to other library cooperatives.

A nine-member Board of Trustees, who are elected by member libraries, governs TLN.

The cooperative has 39 employees.

TLN's accounts are maintained in Sage 50 Accounting. The accounts are organized on the basis of funds, departments and account groups, each of which is considered a separate accounting entity.

Funds

Governmental Funds

 General Fund

 Special Revenue Funds:

 Shared Automation Capital Reserve

 General Capital Reserve

 Grant Fund

Fiduciary Funds:

 Agency Funds:

 Member Advance Funds

Budgeted revenues, are at \$5,932,928 or \$3,033,428 without Passthru items in FY 2014/2015.

Assistance Available to Auditor

TLN staff will make available to the auditor sufficient help to pull and re-file records, and prepare and mail all necessary confirmations. The books of account will be fully balanced. All subsidiary ledgers will be reconciled to control accounts. All bank account reconciliations for each month will be completed. Requested documents will be ready for field work.

A copy of our current audit is available at:

<http://tln.lib.mi.us/board/>