LITTLE TRAVERSE BAY BANDS OF ODAWA

WAGANAKISING ODAWA

Request for Proposals
For
Fiscal Year 2011-2013
Audits

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I. INTRODUCTION

The Little Traverse Bay Bands of Odawa Indians (LTBB) is seeking requests for audit proposals to conduct the necessary audits for its Tribal Government, Trust Funds, and Enterprise funds. The primary funds of the government general fund, and special revenue funds must be audited in accordance with OMB circular A-133, GAGAS and GAO yellow book standards. The enterprise and trust funds must be audited in accordance with GAGAS and GAO yellow book.

The following provides information and direction in terms of competing for award of this contract. We appreciate your willingness to assist in this endeavor and hope this Request for Proposal (RFP) answers any questions you may have regarding the proposal and subsequent audit. Please also review the Tribe's web site at www.ltbbodawa-nsn.gov

If you need additional information in order to respond to this RFP please be sure to contact Kristina Baller, Interim CFO at 231 242-1443 or by email at kballer@ltbbodawa-nsn.gov.

II. REQUESTING ORGANIZATION

1) Little Traverse Bay Bands of Odawa Indians (LTBB), 7500 Odawa Circle, Harbor Springs, Michigan 49740

2) Phone: (231) 242-1443

3) Contact: Kristina Baller, Interim CFO

4) Proposals shall be sent to: Kristina Baller, Interim CFO

5) Proposals must be received by 4:00 P.M. prevailing local time on November 29th, 2011 at the above address.

6) Please submit 2 copies of your proposal.

7) Upon submission, all proposals become property of LTBB and become part of our official files without any further obligation on the part of LTBB.

III. NATURE OF SERVICES REQUIRED

1) This is a fixed cost contractual agreement. Three audit reports will be issued as follows:
    a) Annual Financial Statement Audit of the General Purpose Financial Statements, which will include the audits of the Trust Funds, Odawa Casino Resort which may be performed by other auditors and 2 smaller enterprise funds.
    b) Annual Financial Statement Audit of the Trust fund(s)
    c) Annual Financial Statement Audit of the 401(K) Plan (DOL)

2) You may submit your proposal for one or all of the above audits. Please be sure to indicate separate pricing for each component and all components.

3) The audit of the Tribal Government will include federal and state programs administered by the tribe. We operated approximately 70 different federal, state and other grants and contracts during the one-year period to be audited. General funds and grant funds total approximately $25 million dollars annually. The audit of the Tribal Government will include two small enterprises, a Tribal Fishery and a convenience store.

4) Account titles include, but are not limited to: salaries, fringes, travel, training, contracted consultants, supplies, equipment purchases, telephone costs, postage, leases, copier costs, insurance, registrations, space costs, health service, vendor payments, education scholarships, stipend payments, printing, advertising, emergency services and indirect costs.

5) These programs are funded by the following, but are not all inclusive: U.S. Department of Education, U.S. Department of the Interior, Bureau of Indian Affairs, U.S. Department of Housing & Urban Development, U.S. Department of Health & Human Services, U.S. Public Health Service, Indian Health Services, U.S. Environmental Protection Agency, State of Michigan, U.S. Department of Agriculture.

6) The staff is paid bi-weekly at Tribal operations; average bi-weekly payroll for the Tribal government employees is approximately $360,000.

7) There will be some coordination required between the enterprises and the government for debt and property disclosures as well as due to and due froms and operating transfers.

IV. THE FOLLOWING GUIDELINES GOVERN THE ENGAGEMENT

1) Generally accepted standards of audits as included in Statements of Auditing Standards, published by the American Institute of Certified Public

Accountants, and the General Accounting office, Standards for Audit of Governmental organizations, Programs, Activities and Functions.

2) Governing standards shall also include G.A.O. guidelines for financial and compliance audits of federally assisted programs A-133, uniform administrative requirements for grant-in-aid-to state, local & tribal governments.

3) We are suggesting that if you have no experience with A-133 audits, that you would probably not be competitive in this process. A-133 audits are organizational audits going well beyond the generally understood financial audits. A-133 provides the compliance features well beyond the financial audit.

V. PERIOD OF AUDIT

The reporting year for the Tribe, Odawa Casino Resort and all other entities is January 1 to December 31 of each year. Fiscal years often differ for many of the federal and state contracts being audited in each period. This proposal should cover a three year period beginning with 2011.

VI. REPORTS REQUIRED

The comprehensive audit report shall be made available as prescribed in A-133. Additionally, the Tribal government shall be furnished 25 copies of the report. There shall be detailed analysis of system weaknesses and recommendations for improvement submitted to management in addition to any other report required under applicable guidelines. An exit conference, which details the report, will be held with management and the Tribal governing board as needed.

VII. OVERVIEW OF ENTITY AND RECORDS TO BE AUDITED

1) The Little Traverse Bay Bands of Odawa Indians is a federally recognized tribe. This status, coupled with inherent governmental rights supported in numerous Supreme Court rulings provides the basis for the governmental authority of the tribe.

2) The Tribe serves a population of approximately four thousand. It's service area includes the counties of: Alger, Chippewa, Delta, Luce, Mackinac and Schoolcraft in Michigan's Upper Peninsula and Alcona, Alpena, Antrim, Benzie, Charlevoix, Cheboygan, Crawford, Emmet, Grand Traverse, Iosco, Kalkaska, Leelanau, Manistee, Missaukee, Montmorency, Ogemaw, Oscoda, Otsego, Presque Isle, Roscommon and Wexford in Michigan's Lower Peninsula, for most purposes and programs.

3) The Tribe utilizes a double entry modified accrual system. Financial statements are prepared using a local area network computer system running Fundware accounting software.

4) The financial management and accounting system is maintained by:

   Kristina Baller, Interim Chief Financial Officer for Tribal Government
   Melvin Kiogima II, Senior Accountant for Tribal Government

5) The individuals responsible for maintaining records and preparing financial reports are those listed. We know of no exceptions to generally accepted accounting principles or any other accounting problems. Management reports are presented monthly in the form of revenue and expense reports to management and staff. These are in the form of program or departmental income statements and the detail includes: revenue; expense activity by line item, month and year to date; all compared to the program budget.

IX. TIME CONSIDERATION AND REQUIREMENTS

1) Proposals must be received by 4:00P.M., November 29th, 2011 at the Governmental offices located at 7500 Odawa Circle, Harbor Springs Michigan 49740.

2) The contract will be awarded by December 31, 2011.

3) The annual audit work will generally begin for the Tribe in March. This will give the accounting staff time for post-closing period.

4) The Tribal Government audit shall be completed and finalized on or before June 30th of each year.

5) NOTE: If our cognizant agency (Department of Interior, Office of Inspector General) has serious questions with the audit, or several general questions, travel for a conference with them or us may become necessary. Do not consider this cost in your proposal. If circumstances require this, reimbursement of travel costs will be negotiated at that time.

XI. WORK PAPERS

Work papers must be maintained for a period of three years from the date of the report. These working papers must remain available during the period for examination by our funding agency official or any other LTBB authorized designee.

If more than one auditor is selected to perform the work the auditor performing the governmental audit will be provided with adequate information and documentation form the other firms to include there audited financials within the government wide audit.

XII. RIGHT TO REJECT

The Tribe reserves the right to reject any and all proposals submitted and to request additional information from all proposers. This contract will be given to the best qualified according to the standards outlined in this request for proposals, which include consideration of costs, technical, and qualitative standards.

XIII. FORMAT OF PROPOSAL

1) **Title Page**—Show the RFP subject, the name of firm, local address, telephone number, name of contact person, and date.

2) **Table of Contents**—Include identification of the material by section and by page number.

3) **Letter of Transmittal**—Briefly state the understanding you have of the work to be done and make a positive commitment to perform the work within the time period. State the ALL-INCLUSIVE FEE for which the work will be done. The fee must include all expected travel and reimbursable costs. State your name, as well as the names of the persons who will be authorized to make representations for you, their titles, addresses, and phone numbers.

4) **Profile of Your Firm**—State whether the firm is local, regional, national, or international. State the location of the office from which the work is to be done and the number of partners, managers, supervisors, seniors, and other professional staff employed at that office. Describe the range of activities performed by the local office, such as auditing, accounting, tax service, or management services. Describe the local offices experience in working with similar type entities specifically Tribal Governments and Tribally owned casinos.

5) **Mandatory Criteria**—You must affirm that you are a properly licensed certified public accountant licensed in the State of Michigan. You must affirm that you meet the independence standards of the GAO Standards for Audit of Governmental Organizations, Programs, Activities, and Functions.

6) **Summary of Your Qualifications**—Identify the supervisors who will work on the audit, including staff from other than the local office. Resumes including relevant experience and continuing education for each supervisory person to be assigned to the audit should be included. (The team leader's resume and others stipulated may be included as an appendix). Describe the

recent local and regional office auditing experience similar to the type of audit requested, and give the names and telephone numbers of the client officials responsible for three of the audits listed.

7) **Your approach to the Examination**—Please submit a description of your approach to the audit to accomplish the objectives defined in this RFP. The description should include time estimates for each significant segment of the work and the staff level to be assigned. Where possible, individual staff members should be named. The planned use of specialists should be specified. Part of this audit is a compliance audit in addition to the financial statement audit and reviews and therefore goes beyond the normal procedures of a financial audit so please describe your approach to conducting the work. You must affirm that you will operate in accordance with the auditing standards of the U.S. Department of the Interior, Office of the inspector General, and with other applicable standards. You must affirm that you will select the necessary procedures to test compliance and to disclose noncompliance with the specified laws, regulations, and contracts.

8) **Compensation**—State the total hours projected for completion of the audit; i.e. from beginning to submission of final report and all exit conferences. State the hourly rate required BY STAFF CLASSIFICATION. Re-state the maximum fee for which the requested work will be done including an amount for travel and other reimbursable costs as a NOT to exceed amount.

9) **Special Consideration**—All things being equal, the following types of firm's would receive special consideration in the award of this contract:

- Indian Owned— Indian owned is defined as, at least, 51% Indian owned & controlled by person(s) of certified (federally recognized) Native American heritage.
- Minority Owned— Minority owned is a firm that is at least 51% owned and controlled by a minority and so documented; eq. SBA 8-a certification.
- Small Business— Small business for this purpose is firm doing less than $2 million annually as verified by gross receipts.

10) **Additional Data & Information**—In order to objectively rate your proposal, we request that you do not submit any further information or data than can reasonably be classified under the previous components of this RFP.

<u>Thank you for your interest.</u>