

MINNESOTA HOCKEY, INC.
REQUEST FOR PROPOSAL
ANNUAL FINANCIAL AUDIT

MINNESOTA HOCKEY INC. is requesting proposals for public accounting firms to perform the annual audit for fiscal year, 2021, 2022 AND 2023

I. BACKGROUND INFORMATION

Minnesota Hockey Inc, (MH) a Minnesota corporation, having its place of business at 317 Washington Street, St. Paul, MN, is an independent affiliate of USA Hockey, Inc. and is responsible for the governance of all non-school affiliated amateur ice hockey in Minnesota. The organization is a 501 (c) 3 corporation, with approximately 63,000 members and. In the performance of its duties, MH registers players, provides common playing rules, plans and executes tournaments, leagues and camps. It receives funding from registration fees, sponsorships, grants and donations. MH is also duly registered with the State of Minnesota as a charitable organization.

The organization is governed by a Board of Directors, consisting of 30 voting members who are elected by their member constituents in accordance with the MH bylaws. There are four full time salaried staff members, an Executive Director, Marketing/Communication Assistant, Hockey Programs Manager and a financial administrator. All others associated with MH are volunteers, except for some programs where the workers are paid by stipend.

The organization has a fiscal policy manual to define the procedures used for cash management. (Copy attached.) A QuickBooks Accounting System is used for all financial records. Accounting is performed on a cash basis with some year-end accrual adjustments required.

The annual volume of business is approximately \$3.7 million dollars. Expenses typically run approximately 90% of annual revenue. Currently, MH has reserves of approximately \$1.5million in cash and cash equivalents.

Since 2005, all of the organization's financial records have been reviewed and audited by certified public accountants. All financial records are kept at the organization's business office, 317 Washington Street, St. Paul, MN. A copy of Minnesota Hockey's' yearend financials for 2020 is available upon request.

II. PURPOSE OF AUDIT

The purpose of the Request for Proposal is to obtain the services of a public accounting firm for the annual audit for fiscal year 2021. The process will encompass the general-purpose financial statements, combining statements and other schedules for the fiscal year ending August 31, 2021. The audit is to be performed in accordance with generally accepted auditing standards.

The financial statement audit is to determine whether (1) the financial statements present fairly the financial position, results of operations, and cash flows or changes in financial positions in accordance with generally accepted accounting principles, and (2) MH has complied with laws and regulations for those transactions and events that may have a material effect on the financial statements.

As part of the audit of the general purpose financial statements, the annual audit will also include obtaining an understanding of the organization's internal control and reporting any reportable conditions relating to the internal control systems coming to the attention of the auditors. Any material weakness noted during the study and evaluation of internal accounting and administrative controls will be reported.

A. Independent Auditor

The proposer must demonstrate the capability to perform the annual audit in accordance with generally accepted government auditing standards. Public accounting firms that have performed annual audits for similar entities are encouraged to file a proposal.

B. Term of the Audit Engagement

The contract for audit services, based upon Board of Directors approval of the proposal, will be for the fiscal year ending August 31, 2021. MH may request to extend this agreement through fiscal year August 31, 2023, following satisfactory delivery of the services specified in the proposal and engagement letter.

C. Dispute Resolution

Disputes concerning the terms of contracted services that cannot be resolved will be brought before an independent mediation center, whose decision will be binding upon both parties.

III. PROPOSAL CONTENT

All proposals in response to this request shall be prepared and submitted at the Proposer's expense and must meet the following conditions in order to be considered:

- A. Proposal must include a cover letter clearly stating the name of the firm and the name, address, and telephone number of the proposer's representative.
- B. Proposal must address each of the audit requirements as stated in this Request for Proposal.
- C. The proposer shall furnish such additional information that, in the Proposer's opinion, the organization may reasonably require;
- D. The Proposer shall prepare and submit, in a timely fashion, both Federal form 990 and the Annual Minnesota State requirements and present them to MH for filing.
- E. MH may ask proposers to make available a representative for an oral interview prior to approval of a proposal. MH will not be liable for the costs incurred by the proposer in connection with such interview.
- F. The Proposer must include all incidental costs, including travel, in its pricing. All pertinent financial records are kept in the MH business office.
- G. The Proposer must include costs for the provision of eight (8) copies of the audited financial statement and management letter to MH.

IV. ESTIMATED FEES

Below state the fees for the annual audit for the fiscal year ending August 31, 2021. Also state estimated fees for the subsequent three years, under current existing conditions, if MH were to request an extension of the contract.

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|---------------------|----------|
| 1. 2021 Fiscal Year | \$ _____ |
| 2. 2022 Fiscal Year | \$ _____ |
| 3. 2023 Fiscal Year | \$ _____ |

MH will pay audit fees as agreed upon in the engagement letter.

MH reserves the right to reject any and all proposals, and to negotiate portions thereof.

MH reserves the right to select any proposal, considering the quoted estimated fee and other factors.

V. PROCEDURES FOR SUBMITTING PROPOSALS

Responses to the request for proposal should be sent by regular mail and addressed to:

Kathy Hayes
Minnesota Hockey, Inc
317 Washington Street
St. Paul, MN 55102
651/312-3441

Proposals must be received no later than 5:00 PM, May 15, 2021

Submit two (2) copies of the proposal. One proposal should be bound and one copy loosely bound and both sealed.

VI. ASSISTANCE TO PROPOSERS

Those wishing to obtain additional information about the request for proposal or about the operations of MH may contact either Kathy Hayes, Financial Administrator; phone: 651/312-3441 kathyh@minnesotahockey.org or Doug Kephart, Treasurer; phone: 320-484-5353, dougk@larsonbuilders.com

VII. BOARD OF DIRECTORS APPROVAL

A proposal will be selected on or before June 29, 2021, barring decision by the Board of Directors to reject all proposals submitted.