

SCHOOL DISTRICT NUMBER SIX

P.O. BOX 1259
COLUMBIA FALLS, MONTANA 59912

DATE: May 28, 2021

TO: AUDIT FIRMS HAVING EXPRESSED INTEREST IN RESPONDING
TO A REQUEST FOR PROPOSALS

FROM: DUSTIN ZUFFELATO, BUSINESS MANAGER/CLERK

SUBJECT: PROFESSIONAL AUDITING SERVICES

Columbia Falls School District is soliciting proposals from qualified firms of certified public accountants to audit the District's financial statements for the fiscal year ending June 30, 2021, with the option of auditing the District's financial statements for the two subsequent fiscal years.

Responding firms will be considered provided the firm meets the requirements set forth in the enclosed RFP. Proposals to provide audit services to the District must be received on or before 4:00 P.M. **June 24, 2021.**

All questions and correspondence should be directed to Dustin Zuffelato, Business Manager/Clerk, by calling **(406) 892-6554**, electronic mail correspondence to **d_zuffelato@cfmthschools.net**, or writing to Columbia Falls School District, PO Box 1259, Columbia Falls, MT 59912.

COLUMBIA FALLS SCHOOL DISTRICT
FLATHEAD COUNTY

REQUEST FOR PROPOSALS
FOR
PROFESSIONAL AUDITING SERVICES

May 28, 2021

P.O. BOX 1259
COLUMBIA FALLS, MT 59912

COLUMBIA FALLS SCHOOL DISTRICT
FLATHEAD COUNTY

REQUEST FOR PROPOSALS

I. INTRODUCTION - GENERAL

The Columbia Falls Elementary District and High School District is requesting proposals from qualified firms of certified public accountants to audit its financial statements, for the fiscal year ended June 30, 2021, with the option of auditing its financial statements for each of the two subsequent fiscal years. The audit is to be conducted in accordance with Government Auditing Standards; the requirements of the Office of Budget and Management in its Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; the provisions of the Single Audit Act of 1984 (and as revised); the rules established by the Division of Local Government Services, Audit Bureau, State of Montana; and any other relevant requirements.

There is no expressed or implied obligation for the Columbia Falls School District to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

Consideration will be made of firms submitting one copy of the firm's proposal to Dustin Zuffelato at P.O. Box 1259, Columbia Falls, MT 59912 no later than 4:00 P.M. **June 24, 2021.**

It is anticipated the selection of a firm will be completed by July 15, 2021. Following the notification of the selected firm it is expected a contract will be executed between both parties by July 30, 2021.

The District reserves the right to accept the proposals which the Board of Trustees deems is in the best interest of the District and to reject any proposals that the Board of Trustees deems not to be in the best interest of the District for any reasons.

II. NATURE OF SERVICES REQUIRED

A. General

The Columbia Falls School District is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal year ending 2021, with the option to audit the District's financial statements for each of the two subsequent fiscal years. These audits are to be performed in accordance with the provisions contained in this request for proposals.

B. Scope of Work to be Performed

The District desires the auditor to express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles.

C. Auditing Standards to Be Followed

To meet the requirements of this request for proposals, the audit shall be performed in accordance with:

Generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in the U.S. General Accounting Office's *Government Auditing Standards* (1994), the provisions of the Single Audit Act of 1984 (as amended in 1996) and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, Audits of State and Local Governments.

D. Reports to be issued

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue:

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles, including an opinion on the fair presentation of the supplementary schedule of expenditures of federal awards in relation to the audited financial statements.
2. A report on compliance and internal control over financial reporting based on an audit of the financial statements.
3. A report on compliance and internal control over compliance applicable to each major federal program.
4. In the required report[s] on compliance and internal controls, the auditor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant

deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

Non-reportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the report[s] on compliance and internal controls.

The report on compliance and internal controls shall include all material instances of noncompliance. All nonmaterial instances of noncompliance shall be reported in a separate management letter, which shall be referred to in the report on compliance and internal controls.

5. A report disclosing any lack of compliance with State statutes, rules, regulations, or ordinances that would not have a material effect on the financial statements. This report may be combined with other reports if appropriate, or the findings may be included in a management letter. If included in a management letter, that letter must be included as a part of the audit report.

E. Special Considerations

The District intends to prepare the following financial statements and tasks:

- Government Wide Financial Statements: Statement of Net Position and Statement of Activities.
- Fund Financial Statements: Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds.
- Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.
- Proprietary Fund (Internal Service Health Insurance Fund) Statement of Net Position, Statement of Revenues, Expenditures and Changes in Net Position, and Statement of Cash Flows.
- Custodial Fund (Scholarship Endowments) Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position.
- General Fund: Schedule of Revenues, Expenditures, and Encumbrances Budget and Actual report and Budgetary Comparison Schedule - Budget to GAAP Reconciliation.

- Management’s Discussion & Analysis
- Schedule of Federal Awards
- General Obligation Bond-other information for continuing disclosure requirements.
- Other schedules requested by audit team

The District intends the Auditor to prepare the following:

- Notes to the Financial Statements.
- Schedule of Changes in Total OPEB Liability and Related Ratios
- Supplemental Schedule of Proportionate Share of the Net Pension Liability and Schedule of Contributions including for the past ten years and required notes.

III. DESCRIPTION OF THE GOVERNMENT

- A. The Business Office is located at 501 6th Avenue West, Columbia Falls, MT, 59912.

The auditor's principal contact with the Columbia Falls School District will be Dustin Zuffelato, Business Manager/Clerk, or a designated representative, who will coordinate the assistance to be provided by the District to the auditor.

- B. Background Information

Columbia Falls School District consists of two separate legal entities, Columbia Falls High School District No. 6 and Columbia Falls Elementary School District No. 6. Each District utilizes the modified accrual basis of accounting. The District uses a computerized accounting software package developed and supported by Tyler Technology (Infinite Visions).

The two Districts have one central administration. The Districts board consists of eight members, all of which can vote on issues related to the Secondary District, and only seven that can vote on matters of the Elementary District. The Business Office for the two districts now consists of a Business Manager/Clerk/CPA, an accounts payable/purchasing clerk, an HR Clerk, and a payroll clerk.

ENROLLMENT – Spring 2021

Glacier Gateway Elementary	483
Ruder Elementary	482
Columbia Falls Junior High	509
High School	620

<u>PERSONNEL</u>	Teachers (FTE)	AIDS (FTE)
Glacier Gateway Elementary	41	24
Ruder Elementary	37	15
Columbia Falls Junior High	40	11
High School	46	14

<u>PAYROLL</u>	ELEM.	H.S.
Payroll expenditures for FY 2020	\$10,447,454	\$5,011,325

EMPLOYEE BENEFITS

Health, Vision, and Dental insurance are provided through a Self-Insurance Fund. This plan covers 230 participants (64 singles/166 families).

FUND STRUCTURE

Columbia Falls School District maintains the following funds:

Budgeted funds (budgets for FY 2021)

	<u>ELEM.</u>	<u>H.S.</u>
General Fund	\$10,932,629	\$5,653,046
Transportation Fund	824,893	435,808
Bus Depreciation Fund	391,108	205,288
Tuition Fund	521,452	175,616
Retirement Fund	1,652,665	856,838
Adult Education Fund	N/A	23,990
Technology Fund	686,412	66,401
Flex Fund	27,512	83,039
Debt Service Fund	2,388,666	N/A
Building Reserve Fund	240,504	293,104
Total	<u>\$ 17,665,841</u>	<u>\$ 7,793,131</u>

NON-Budgeted funds (budgets for FY 2021)

	<u>ELEM.</u>	<u>H.S.</u>
School Lunch Fund	\$ N/A	\$ 871,401
Miscellaneous Programs Fund	2,309,774	263,877
Traffic Education Fund	N/A	44,701
Lease-Rental Fund	17,625	7,017
Compensated Absence Fund	4,491	25,548
Multi District Agreement	1,370,486	N/A
Total	<u>\$3,702,376</u>	<u>\$1,212,544</u>

Internal Service Fund (budget for FY 2021)

	<u>ELEM.</u>	<u>H.S.</u>
Self Insurance Fund	\$4,188,674	N/A

Custodial Funds (budget for FY 2021)

	<u>ELEM.</u>	<u>H.S.</u>
High School Endowment Fund	\$ N/A	\$ 2,065
Miscellaneous Trust	N/A	<u>65,321</u>
	\$ N/A	\$ 250,874

BONDED INDEBTEDNESS

Elementary District

Series 2019 General Obligation Bonds:

Originally issued	\$32,000,000
Amount outstanding as of June 30, 2020	32,000,000

CAPITAL ASSETS

The District had as of June 30, 2020, \$13,745,722 of net capital assets including land, building and equipment. The Districts capitalization threshold for capital assets is \$5,000.

Construction in Progress: K-8 Facility Bond Project – The District’s only outstanding indebtedness was related to the construction of the Junior High School in 2000. Bonds were nearing maturity and before this debt service was removed from the tax rolls, the Board of Trustees proposed issuing General Obligation Bonds in the principal amount of \$37,072,000 for the purpose of replacing Glacier Gateway Elementary, remodeling and expanding Ruder Elementary, and developing multi-use sport fields. This project would address the deferred maintenance issues within both Elementary schools. The General Obligation bond election was approved on October 8, 2019. Construction commenced in the Spring 2020 and as of April 30, 2021 construction in progress incurred expense is:

\$979,705 – Multi Use Fields (98% complete)

\$5,829,606 – Ruder (45% complete)

\$1,358,582 – Glacier Gateway (5% complete)

Anticipated completion for Ruder Elementary is the Fall 2021 and Glacier Gateway Elementary is the Fall 2022.

FEDERAL GRANTS

For the fiscal year ended June 30, 2020 the District had expenditures of federal funds totaling \$2,274,908. The District was considered a “low risk auditee” during FY 2020.

More detailed information on the government and its finances can be found in the

Columbia Falls School District's budget documents, 2020 Audit Report, and annual financial reports. To obtain these reports contact Dustin Zuffelato at (406) 892-6554 or email your request to d_zuffelato@cfmthschools.net

IV. TIME REQUIREMENTS

A. Proposal Calendar

The following is a list of key dates up to and including the date proposals are due to be submitted:

Request for proposal issued	May 28, 2021
Due date for proposals	June 24, 2021

B. Notification and Contract Dates

Approval by Board of Trustees	July 12, 2021
Contract date	July 30, 2021

C. Date Audit May Commence

The District will make arrangements for preliminary fieldwork commencing immediately after contract award. The District will have all records ready for audit by October 31, 2021, and all management personnel available to meet with the firm's personnel immediately after contract approval and acceptance.

E. Entrance Conferences, Progress Reporting and Exit Conferences

The Columbia Falls School District requests to have the following conferences with the audit team:

- Entrance conference with all key finance department personnel and department heads of key offices or programs. The purpose of this meeting will be to discuss prior audit problems and the interim work to be performed. This meeting will also be used to establish overall liaison for the audit and to make arrangements for workspace and other needs of the auditor.
- Exit conference with Clerk and department heads of key offices or programs. The purpose of this meeting will be to summarize the results of the fieldwork and to review significant findings.
- Exit conference with Board of Trustees during a Regular Board Meeting. The purpose of this meeting will be to summarize the results of the fieldwork and to review significant findings.

F. Date Final Report is Due

The Final Audit Report should be completed by March 31, 2022 in accordance to OMB Circular A -133.

V. PROPOSAL REQUIREMENTS

A. General Requirements

1. Submission of Proposals

Proposers should send the completed proposal to the following address:

COLUMBIA FALLS SCHOOL DISTRICT
DUSTIN ZUFFELATO, BUSINESS MANAGER/CLERK
P.O. BOX 1259
COLUMBIA FALLS, MT 59912

B. Technical Proposal

1. General Requirements

A. Firm Qualifications and Experience

The proposer should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements. The firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.

B. Partner, Supervisory and Staff Qualifications and Experience

Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement. Indicate whether each such person is registered or licensed to practice as a certified public accountant in Montana. Provide information on the government auditing experience of each person.

Provide as much information as possible regarding the number, qualifications, experience and training, of the specific staff to be assigned to this engagement. Indicate how the quality of staff over the term of the agreement will be assured.

C. Prior Engagements with the Columbia Falls School District

List separately all engagements within the last ten years, ranked on the basis of total staff hours, for the Columbia Falls School District by type of engagement (i.e., audit, management advisory services, other). Indicate the scope of work, date, engagement partners, total hours, the location of the firm's office from which the engagement was performed, and the name

and telephone number of the principal client contact.

D. Similar Engagements with Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum - 5) performed in the last five years that are similar to the engagement described in this request for proposal. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

C. Sealed Dollar Cost Bid

1. Total All-Inclusive Maximum Price

The sealed dollar cost bid should contain all pricing information relative to performing the audit engagement as described in this request for proposal. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses.

The District will not be responsible for expenses incurred in preparing and submitting the technical proposal or the sealed dollar cost bid. Such costs should not be included in the proposal.

The first page of the sealed dollar cost bid should include the following information:

- a. Name of Firm
- b. Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with the Columbia Falls School District.
- c. A Total All-Inclusive Maximum Price for the 2021 engagement.
- d. A Total All-Inclusive Maximum Price for the 2022 and 2023 engagement.

2. Rates for Additional Professional Services

If it should become necessary for Columbia Falls School District to request the auditor to render any additional services to either supplement the services requested in this RFP or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between Columbia Falls School District and the firm. Any such additional work agreed to between Columbia Falls School District and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the sealed dollar cost bid.

APPENDICES

Schedule of Federal Awards for FY 2020

**Supplementary Schedule
SCHOOL DISTRICT NO. 6
Columbia Falls, Montana**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2020**

<i>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</i>	Federal CFDA Number	Pass-Through Entity Identifying Number	Award Amount	Passed-Through to Subrecipients	Total Federal Expenditures
Indirect Funding					
U.S. Department of Agriculture					
<i>Through the State of Montana Office of Public Instruction</i>					
Child Nutrition Cluster					
National School Breakfast Program	10.553	N/A	N/A		100,852
Food Distribution (Commodities)	10.555	N/A	N/A		50,415
National School Lunch Program	10.555	N/A	N/A		271,465
Summer Food Service Program	10.559	N/A	N/A		293,163
Total Child Nutrition Cluster					<u>715,895</u>
After School Snack Program	10.558	N/A	N/A		6,750
Child and Adult Care Food Program	10.558	N/A	500		398
Fresh Fruit and Vegetable Program	10.582	N/A	N/A		53,973
Total USDA					<u>777,016</u>
U.S. Department of Education					
<i>Through the State of Montana Office of Public Instruction</i>					
Special Education Cluster					
IDEA Part B	84.027A	15.0312.77.19ALLO	574,404	18,263	504,564
IDEA Preschool	84.173	15.0312.79.20	16,723	218	16,723
Total Special Education Cluster				<u>18,481</u>	<u>521,287</u>
ESEA Title I Schoolwide	84.010	15.0312.31.20	920,044		871,139
Title X Pt. C McKinney Vento Education	84.196	N/A	9,040		2,666
Title X Pt. C McKinney Vento Education	84.196	N/A	7,820		5,221
Vo-Ed Basic Grants to States- Carl Perkins	84.048A	15.0313.81.20BG	51,779		51,779
Vocational Rehabilitation and Blind Service	84.126A	20-01-175-0039-0			33,300
Vocational Rehabilitation and Blind Service	84.126A	19-01-175-0039-0			12,500
Total U.S. Department of Education				<u>18,481</u>	<u>1,497,892</u>
Total Passed Through State of Montana				<u>18,481</u>	<u>2,274,908</u>
TOTAL FEDERAL EXPENDITURES				<u>\$18,481</u>	<u>\$2,274,908</u>

The Notes to Schedule of Federal Expenditures are an integral part of this schedule.