

DOUGLAS COUNTY SCHOOL DISTRICT #77
GLENDALE, OREGON

REQUEST FOR PROPOSAL

AUDIT SERVICES

Proposals Due by 1:00 p.m.
Monday, April 29, 2024

Issuing Office
Douglas Education Service District
1409 NE Diamond Lake Blvd, Suite 110
Roseburg, OR 97470
(541) 440-4796

Bridget McMillen, Superintendent
Angie Brownson, Business Manager

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SECTION I

GENERAL INFORMATION

The Glendale School District (Douglas County) #77 is requesting three-year written proposals from certified municipal auditors to conduct the annual audit of the District financial records beginning with the 2023-2024 fiscal year, as required by the state prescribed Minimum Standards of Audit of Oregon Municipal Corporations, and shall be required to satisfy the provisions of the “Audit of State and Local Governments.”

This proposal contains sections which provide proposal preliminaries, district background, report requirements, valuation process, administrative information, and request for proposal format. The Annual Financial Report for 2022-2023 for the District and Adopted Budget for 2023-2024 can be accessed on the District website <http://www.glendale.k12.or.us/district-business> or upon request.

A. Purpose and Intent

The District is looking for a firm to provide their audit needs in terms of services and costs. The District invites those interested audit firms to complete and submit our Standard Audit Services Proposal.

The purpose and intent of this process is to obtain high quality requisite audit services at a competitive price and in a timely, efficient manner. The Douglas Education Service District provides and maintains the financial software (Infinite Visions) and currently provides business management, payroll and accounts payable for the District. The bulk of the audit work will be performed at the Douglas Education Service District’s main office, 1409 NE Diamond Lake Blvd, Roseburg, Oregon. An on-site visit to Glendale School District in Glendale, Oregon will also be required.

B. Proposal Request

The District is requesting proposals from Certified Public Accountants to perform the annual financial audit of the District in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* for purposes of rendering an opinion as to whether the financial statements are free of material misstatement. The audit shall also be required to satisfy the provisions of Federal OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. This OMB Circular provides policy guidance to Federal Agencies in the implementation of the Single Audit Act Amendments of 1996 (P.L. 104-156). The financial statements are prepared in compliance with Governmental Accounting Standards Board Statements.

C. Period of Contract

The selected audit firm shall be designated as the District auditor for an initial one-year term commencing with the 2023-2024 fiscal year. The contract shall contain an automatic annual renewal clause, which may be used in the two (2) following years, thereby providing for three (3) years of auditing services. Either party may cancel the contract at the end of each annual period upon written notice delivered prior to April 30th of that fiscal year. The District reserves the right to extend the contract beyond the original three (3) year period, negotiating each year separately as to price and work performed.

D. Terms and Conditions

The District reserves the right to reject any irregularities of informalities in any proposal, or to accept or reject any or all proposals. In the event that a contract is not executed within forty-five (45) days after the award has been made, the district may give notice to said firm of the District's intent to award the contract to the next best proposal, or to call for new proposals.

E. Oral Presentations

Providers may be required to make an oral presentation of their proposal to the District's Evaluation Committee and others, if necessary. Such presentations provide an opportunity for the firm to clarify the proposal to ensure mutual understanding. The Douglas Education Service District Fiscal Services Office will schedule the time and location for these presentations, if necessary.

F. Schedule of Events/Dates

- Distribution of R.F.P. April 2, 2024
- Last day addendum will be issued on interpretation or protest. Addendums will be issued electronically to holders of the RFP document April 8, 2024
- Proposal Due Date April 29, 2024
- Opening will occur at the Glendale District office May 1, 2024
- Oral Interviews, if requested May 6-7, 2024
- Award Final May 15, 2024
- Intent to Award Issued May 16, 2024
- Contract finalization will be one week after Notification of Award but no later than May 23, 2024

G. Selection of Firm

The general contract conditions include, but are not limited to, the scope, audit standards, report requirements, compensation, changes, extra work, and timing of completion. Any contract award will be made to the firm which in the opinion of the Board of Directors is qualified and which is in the best interest of the District.

To receive consideration, proposals must be submitted in accordance with the following instructions, and such proposals and awards made therein shall be subject to all the terms and conditions hereof:

1. All proposals shall be sealed in an opaque envelope and delivered to the Douglas Education Service District, Attention: Angie Brownson, Glendale School District Business Manager, 1409 NE Diamond Lake Blvd, Suite 110, Roseburg, Oregon, 97470.
2. Proposal quotations and signatures shall be signed with ink or indelible pencil as follows:
 - a. In the case of an individual, by such individual.
 - b. In the case of a partnership, the name of the partnership must appear on such proposal, and it shall be signed in the name of such partnership by at least one (1) partner licensed to sign municipal audits. In addition to such signature, the names of all partners shall be stated in such proposal.
 - c. In the case of a corporation, the president or other managing officer shall subscribe the corporation name, and there shall be set forth under the signature of such officer the name of the office he holds or the capacity in which he acts for such corporation.

Douglas Education Service District must receive the original and two (2) copies of the proposal by **1:00 p.m. on Monday, April 29, 2024**. Proposals must be in a sealed opaque envelope, clearly marked **AUDIT SERVICES PROPOSAL FOR Glendale School District** and should be delivered by mail or in person to the following address:

**Douglas Education Service District
Attention: Angie Brownson
Glendale School District Business Manager
1409 NE Diamond Lake Blvd, Suite 110
Roseburg, OR 97470**

H. Complaint Processes and Remedies Available

Protests of any of the terms or conditions (procedural or substantive) of this RFP or any of the contract documents shall be in writing and delivered to Angie Brownson, Glendale School District Business Manager at the Douglas Education Service District office listed in paragraph G(1) of this Section no later than 1:00 p.m. on April 8, 2024. Protests shall be marked as follows: (i) Solicitation Specification or Contract Provision Protest; and (ii) Solicitation Document Number. Protests should include a detailed statement of the legal and factual grounds for the protest along with any other information sufficient to enable the district to evaluate the protest. Protests shall also include a brief written description of the resulting prejudice to the proposer and a written statement of the desired changes to this RFP or any of the Contract Documents. Requests for changes shall be marked as follows: (i) Solicitation Specification or Contract; Provision Request for Change; and (ii) Solicitation Document Number. If the District agrees with the particular proposer's protest or request for change, in whole or in part, the District shall either issue an addendum to this RFP reflecting its determination or, at its discretion, cancel the solicitation altogether.

I. Intent to Award

The Intent to Award will be issued electronically through e-mail by Angie Brownson, Glendale School District Business Manager, no later than May 16, 2024.

J. Protest of Award Decision

All protests of award decision must be submitted in writing to Angie Brownson, Glendale School District Business Manager, Douglas Education Service District, 1409 NE Diamond Lake Blvd., Suite 110, Roseburg, OR 97470, no later than 1:00 p.m., May 23, 2024. The protest must state clearly the bases for the protest and any legal authority in support thereof. At the request of the respondent, a hearing will be conducted before the District Superintendent and others as appointed by the District Superintendent within two (2) working days of submission of the written protest. At such hearing, the protester and other interested parties will have the opportunity to appear and make an oral presentation of the bases for protest. The Superintendent will either uphold or deny the protest. If the protest is denied, the District will proceed to award the contract as planned. If protester wishes to file legal action, protester has available to it the rules and remedies provided under Oregon law.

K. Award

The Final Award for the District will be made at the May 15, 2024, meeting, which is noted in Section I, Paragraph F (General Information – Schedule of Events/Dates).

L. Audit Working Papers

All working papers and reports must be retained, at the selected auditors' expense, for a minimum of three (3) years, unless the firm is notified in writing by the District of the need to extend the retention period. Further, the working papers must be available for examination by authorized representatives of any federal or state audit agency and/or district. In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

M. Equal Employment Compliance Requirement

By submitting this proposal, the respondent certifies conformance to the Applicable Federal Acts, Executive Orders, and Oregon Statutes and Regulations concerning Affirmative Action toward Equal Employment Opportunities.

All information and reports required by the federal or Oregon state governments, having responsibility for the enforcement of such laws, shall be supplied to the district upon request for purposes of investigating to ascertain compliance with such acts, regulations, and orders.

N. Legal Fees

If suit or action is instituted in connection with any controversy arising out of this Proposal or the contract relating thereto, the prevailing party shall be entitled to recover, in addition to costs, such sum as the Court may adjudge reasonable as attorney's fees, including such attorney's fees on appeal to the Court of Appeals and/or Supreme Court.

O. Distribution of Materials

The Request for Proposal document, including attachments, addendums, Request for Interview, and Notice of Selection, will be distributed electronically by email.

P. Questions

Questions regarding these specifications should be directed to Angie Brownson, Glendale School District Business Manager, at (541) 440-4779 or via email at abrownson@desd.k12.or.us

SECTION II

DISTRICT BACKGROUND

A. General Information

Douglas County School District #77 is located in the small community of Glendale and is the southernmost School District in Douglas County. The city is located five miles off I-5 exit 80, about halfway between the cities of Roseburg and Grants Pass in southwestern Oregon. The town has approximately 875 residents. The District includes not only the town of Glendale, but also outlying areas surrounding the city, serving approximately 300 students. The major source of employment for the town is the School District, Swanson Group and A & M Transport. The District is financially stable with existing reserve funds and ending fund balance. The District maintains its own bus fleet and drivers, currently has a general obligation bond which expires in 2042, and federal grant awards that do not exceed \$750,000 in most years, however recently with additional federal awards the district has been in excess of \$750,000. The District has budgeted appropriations of \$5,315,033 in the General Fund, \$2,699,429 in Special Revenue Funds (grants, reserve funds, student body, etc.), \$152,100 in Debt Service Funds, and \$3,550 in Trust and Agency Funds.

B. Accounting System

The District's government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. The bases of accounting described above are all in accordance with generally accepted accounting principles.

The District is required by State of Oregon law to adopt an annual budget for all funds subject to the requirements of "Local Budget Law" as addressed in Oregon Revised Statutes 294.305 through 294.565, inclusive. The budget for each individual fund is a plan for the financial operations to be conducted during the coming fiscal year and is adopted annually, prior to July 1, by the board of directors. After adoption, the board of directors may approve supplemental appropriations if an occurrence, condition, or need exists which has not been ascertained at the time the budget was adopted. Supplemental budgets are adopted in accordance with state statute and district policy.

All financial accounting records and functions are computerized and are in Infinite Visions. The selected auditing firm will have inquiry access to Infinite Visions.

SECTION III

NATURE OF SERVICES, REPORT REQUIREMENTS, TIMING, AND CLIENT ASSISTANCE

A. Nature of Services Required

The audit must be prepared in conformance with the financial reporting standards applicable to governmental entities as adopted and issued by the Governmental Accounting Standards Board. In addition, the audit must be performed in accordance with generally accepted auditing standards 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, and accordingly, include financial and compliance matters contained in the Oregon Revised Statutes, Oregon Administrative Rules, and applicable state and federal regulations.

The audit must also be performed in accordance with the provisions of the following as they pertain to financial and compliance audits:

- U.S. General Accounting Office's (GAO) *Government Auditing Standards*.
- Guidelines for Financial and Compliance Audits of Federally Assisted Programs.
- *Audits of States, Local Governments, and Non-Profit Organizations* (OMB Circular A-133).
- Any additional official pronouncements impacting municipal accounting and financial reporting.

The financial statements to be audited are those contained in the District's Annual Financial Report. These must conform to generally accepted accounting principles.

The District will provide in electronic format the basic financial statements and the supplemental information, although some testing may require paper documents located at the District. The District expects the selected audit firm to issue an unqualified opinion on the financial statements. If, during the performance of the audits, the audit firm concludes an unqualified opinion cannot be issued, the audit firm must promptly notify the Superintendent or designee in writing stating all matters which preclude the issuance of an unqualified opinion.

B. Report Requirements

The audit reports will be addressed to the Board of Directors and will include the transmittal letter, management's discussion and analysis, basic financial statements, supplementary information, other

financial schedules, statistical schedules, grant compliance schedules, and other schedules as requested by the District.

Reports of examination of financial statements must state the scope of the examination and that the audit was performed in accordance with generally accepted auditing standards and must include an opinion as to whether the statements conform to generally accepted accounting principles.

A management letter or report to management shall be provided each year and directed to the districts' audit committee and, if requested, to the Board of Directors. Written responses will be prepared for each comment. The auditor shall submit a draft of the management letter to Superintendent or designee in advance of final publication.

The selected auditing firm will be required to make an in person presentation of the Annual Financial Report to the board of directors no later than the December meeting.

C. Timing of Audit

The District expects to have a completed audit by December 1 of each year.

All presentations to the Board of Directors will be no later than the district's December board meeting, unless mutually agreed to by both parties.

The proposal shall contain the proposed timing of the audit including, but not limited to, the field work completion. The auditor shall be available to meet with elected or appointed district officials at their request to discuss the audit or related financial matters.

The district requires monthly or regular periodic progress billings throughout the audit. No extended service is to be performed beyond the contract unless authorized in the contract agreement or by amendment to the agreement. Final invoice payment will occur after receipt of hardcopy and electronic report copies and board presentation.

D. Client Assistance in Audit

The District business office and responsible management personnel will render all possible assistance to the selected audit firm and will respond promptly to all requests for information and provide all necessary books and records for the audit engagement. The District business office will close and balance all accounts and submit appropriate detailed trial balances, supporting schedules, and supporting documentation to the auditor on a timely basis in hard copy or electronic format.

The District will prepare all introductory data, management's discussion and analysis, assist with notes to the basic financial statements, other financial schedules, all statistical tables, grant compliance schedule, any required federal or state reports, and any mutually agreed upon financial statements.

The District's legal counsel will issue representation letters about the status of suits, threatened litigation, or other actual or contingent liabilities. The District will issue a representation letter that will include statements about unrecorded liabilities, pledged assets, loss contingencies, or other liabilities.

The District will provide adequate physical facilities needed for the engagement. Most financial records will reside at the Douglas Education Service District office located at 1409 NE Diamond Lake Blvd., Roseburg, OR 97470.

SECTION IV

REQUEST FOR PROPOSAL FORMAT AND EVALUATION CRITERIA

A. Title Page

Show the Request for Proposal subject, the name of the proposer's firm, local address, telephone number, name of contact person, and the date.

B. Table of Contents

Include a clear identification of the material by section and by page number.

C. Letter of Transmittal (Limit to one or two pages)

1. Briefly describe the work to be done, as well as propose a schedule of events and the corresponding completion date for each event.
2. State the all-inclusive fee for which the work will be done for each of the next three fiscal years, starting with the year ended June 30, 2024. State the names of the persons who will be authorized to make representations for the proposer, their titles, addresses, and telephone numbers.
3. State that the person signing the letter will be authorized to bind the proposer.

D. Profile of the Proposer (Please answer in order)

1. Affirm that proposer is a firm of certified public accountants properly licensed to practice in Oregon.
2. Affirm that proposer meets standards of independence to audit the District involved in this proposal.
3. Indicate the address of your firm.
4. Indicate whether your firm has been the subject of a peer review in the past five years.
5. State number of partners, managers, supervisors, seniors, and other professional staff employed at your firm.
6. Describe range of activities performed by your firm such as auditing, accounting, tax service, or management services.

E. Experience with School District Audits

1. Identify current school district audit clients of your firm, regardless of the office handling the account, which are comparable in size to or larger to each district involved in this proposal. Additionally, identify all school district audit clients handled by your firm. Please include contact information of these clients.

F. Staffing: Size, Training and Experience

1. Identify the partners, managers, seniors, specialists, and other key staff persons from your firm who would be assigned to each district's audit engagement. Describe their roles and provide a brief description of their professional experience, including their experience in governmental auditing. Indicate the extent to which their governmental auditing experience has been within the state of Oregon. Indicate their participation in professional development programs in the governmental accounting and auditing area. Indicate those who are CPAs and those who are members of the AICPA, OSCP, GFOA, and ASBO. If more convenient, resumes may be included in an appendix appropriately cross-referenced here.
2. Describe the firm's capability to audit computerized accounting systems. Identify those key staff persons who would be assigned to the district's audits who have such capability and experience and describe their relevant experience.
3. Describe your firm's capability and experience in providing management consulting services. Describe recent engagements of that type handled by firm personnel, if any, and identify your firm consultants who could provide such services.
4. Describe your firm's professional development program and the specialized programs offered within the area of governmental accounting and auditing.
5. Describe your firm's professional development training and knowledge as to GASB requirements.

G. Firm's Approach to the Examination

1. Describe how your firm would approach the District's engagement. Outline a work plan for the District and related time schedule for each significant segment of the work. Indicate whether you intend to use any computer-assisted auditing procedures.
2. Describe the procedures followed in the technical review of the audit reports prior to their issuance by qualified personnel independent of the audit engagement personnel.
3. Describe how you would propose to use district personnel, if at all, to assist you during the audit and indicate the approximate time requirement.
4. Comment on your firm's ability to provide constructive suggestions for improving the District's internal accounting controls and administrative procedures.

5. Please provide any additional information about your firm’s audit approach that you feel would be beneficial to us.

H. Audit Fees

1. Indicate your firm’s all-inclusive maximum fee for which the requested work:
 - Using the format below, please provide the maximum fee for the audit of the fiscal year ending June 30, 2024. The fee should include all out-of-pocket costs.

Name	Position	Hourly Rate	Estimated Hours of On-site Involvement	Estimated Hours of Off-site Involvement	Estimated Total Hours	Professional Fees
			Total Professional Fees:			

- Provide the audit fee for the subsequent two fiscal years beginning with the year ending June 30, 2025.
 - The fee for the services of preparation of the basic financial statements and supplemental information, if available, shall be stated separately.
2. Describe the method you would use in charging for any special request, reports, or broadening of the scope of the work beyond that described in this Request for Proposals.
 3. Please provide any additional information about your firm’s proposed charges for this engagement. Describe all items or services that may increase the cost of the audit from what is proposed.

* The proposers will earn their cost scores based upon the percentage difference between their respective services cost and the lowest services cost in accordance with the following formula:

$$Proposer's\ Score = 20 - ((PC-LC)/LC) \times 20$$

For purposes of this formula, the following applies:

$$PC = \text{the proposer's services cost (\$)}$$

$$LC = \text{the lowest services cost (\$)}$$

Under this formula, the proposer with the lowest services cost will receive a score of 20. The scores of the remaining proposers will be calculated using the above formula. No proposer will receive a score lower than zero.

SECTION V

EVALUATION OF PROPOSALS

Evaluation Standards

Written proposals will be evaluated based on the following criteria:

- a. Understanding of Engagement – 15%
 - Demonstration of full understanding of the work to be performed.
 - Ability of firm to provide constructive recommendations to the district as a result of the audit and throughout the year.
- b. Proposer's Approach to the Examination – 25 %
 - Description of audit approach, including manner in which computer assisted auditing procedures, statistical sampling techniques, and specialized governmental auditing programs will be utilized.
 - Estimation of number of hours to be devoted to engagement.
 - Work plan and schedule.
 - Procedures followed in technical review of audit reports prior to issuance.
- c. Experience with School District Engagements – 25 %
 - Firm's school district audit experience and expertise.
 - Firm's assistance and experience/expertise in obtaining GFOA and ASBO Program Certificates.
 - School district references.
- d. Staffing: Size, Training and Experience – 20 %
 - Municipal auditing experience and expertise of audit team proposed for the district's audit.
 - Firm's ability to provide consulting services to the district.
 - Subjected to peer reviews in the last 5 years.
 - Number of Certified Public Accountants affiliated with firm.

e. Audit Fee – 15 %

- Proposed fees for each of the three fiscal years.

Further evaluation of some or all proposals may be requested. Firms may be invited to give oral presentations and respond to questions.

PART VI
SIGNATURE FORM

Vendor's Federal/State of Oregon Taxpayer Identification # _____

Name of Proprietorship, Partnership,
or Corporation

*Signature of Proprietor, Partner, or
Corporate Official

Street Address

Name of Signatory

Mailing Address

Date Signed

City, State, and Zip Code

If a Corporation, Attest:

Phone Number

Secretary of Corporation

Employer ID Number

State of Incorporation

Email Address

* By signing this document, individual acknowledges he/she is authorized by vendor to submit proposal and contractually bind the respondent for any services awarded by Glendale School District from proposal document.

End of Signature Form

END OF DOCUMENT