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CORBETT SCHOOL DISTRICT N0.39

Corbett School District No. 39

Request for Proposals for Annual Financial Audit

Corbett School District No. 39 (CSD or District) is seeking proposals to perform the annual audit of the financial records of the District for a term of three fiscal years commencing with the audit of the 2022-2023 fiscal year. The District seeks to allow for up to two renewal options of three years each, upon mutual agreement.

If you wish to provide a proposal for our consideration, please email your response no later than 2:00 pm on Friday July 28, 2023 to Robin Lindeen-Blakeley, Deputy Clerk, at rlindeen@corbett.k12.or.us identified with subject line: "Annual Financial Audit Proposal".

Any questions should be directed to Cindy Duley, Business Manager, Corbett School District at cduley@corbett.k12.or.us.

SECTION 1: PROPOSAL INTRODUCTION

Purpose & Intent

Corbett School District No. 39 (District) is evaluating its auditing needs regarding services and cost. The District invites interested auditing firms to respond to this request for proposals.

The Corbett School District No. 39 Board of Directors (Board) reserves the right to accept any proposal that it deems most favorable to the interest of the District and the right to reject any and/or all proposals submitted or any portion thereof which in its opinion is not in the best interest of the District.

The District's budget and financial statements may be viewed on our website:
<https://corbett.k12.or.us/about/business-services/>

Proposal Request

The District is requesting proposals from qualified firms of Certified Public Accountants to perform annual (and interim if needed) financial audits of the District's financial records and to prepare the District Annual Financial Report (AFR) with information provided by District management. The AFR includes the basic financial statements, required and other supplementary information and compliance reports. The financial and compliance audit will cover federal, state, and local funding sources in accordance with the following:

- Generally Accepted Auditing Standards (GAAS)
- Government Auditing Standards Board (GASB)
- Minimum Standards for Audits of Oregon Municipal Corporations
- Applicable laws and regulations

SECTION 2: SCOPE OF WORK

Pre Audit Meeting

Auditors will provide an audit schedule, working paper standards and requirements, and deadlines to District Business Office staff at a pre-audit meeting or by email, prior to the audit each year.

Report Requirements

The year-end audit report will be presented by the auditor to the Board each year during their regularly scheduled monthly meeting in February, or prior, and will include:

- The District's Annual Financial Statement (AFR);
 - A report expressing the auditor's opinion on the District's financial statements; and,
 - Reports needed to meet other legal and regulatory requirements; including reports required for the District by the Minimum Standards for Audits of Oregon Municipal Corporations
- A summary of findings may be required for presentation to the Board.

Findings of ineligible expenditures must be presented in enough detail for management to be able to understand and act upon the auditor's recommendations.

All findings of weaknesses in internal accounting controls will be discussed with the Superintendent and Business Manager. Significant findings will then be included in a Management Letter addressed to the Board. The auditor will submit a draft of the letter to the Business Manager at least fourteen (14) days prior to the date on which the audit is to be presented to the Board. The Business Manager will provide written responses to each finding and such responses will be included in the final Management Letter.

Audit Schedule

To meet District's auditing timelines, the contract resulting from this RFP process must be fully executed by June 30, 2023. Delayed execution will require District to establish a new timeline for the audit process.

Audit fieldwork shall take place at times mutually agreed upon. The Annual Financial Report, Management Letter, and Oregon Audits Division Summary of Revenues and Expenditure must be reviewed and issued no later than November 30th. If November 30th falls on a non-business day, the following business day becomes the due date.

Access to Accounting Records

All financial accounting records and functions are computerized. The District currently utilizes the PowerSchool Unified Administration BusinessPlus K-12 ERP system and Bank of America Works application (p-card administration). Modules within the BusinessPlus software include Human Resources, Payroll, and Accounting. Secure remote access to the financial systems will be provided to the audit team. The audit firm will provide a secure electronic method of sharing audit worksheets and other financial information requested from the District.

Working Papers

All working papers and reports must be retained, at the auditor's 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. Furthermore, the working papers must be available for examination by authorized representatives of the cognizant Federal audit agency and of the District. Working papers need to be accessible to the District's Business Office on demand. In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow auditors to review working papers relating to matters of continuing accounting significance.

Client Assistance in Audit

The Business Office Staff and other responsible personnel will be available during the audit to assist the firm by providing information, documentation, and explanations. The District will close and balance all accounts and submit appropriately detailed trial balances, supporting schedules, and supporting documentation to the auditor on a timely basis. Client prepared schedules and information for the Annual Financial Report may be submitted in hard copy and/or via electronic format.

The District's attorney(s) will issue an Attorney Representation Letter about the status of suits, threatened litigation, and/or other actual or contingent liabilities.

The District will provide the auditor with reasonable workspace, desks and/or tables, and chairs. The auditor will also be provided access to telephone lines, photocopying facilities, and fax machines and internet access. Such access may be on a limited availability basis, depending on the needs of the District.

Contacts

The auditor should plan to meet with the District staff at least twice in relation to the engagement. The first meeting can be expected to be a time for pre-audit planning and discussion. The second meeting would be to discuss the audit findings and any recommended adjusting entries.

The auditor's principal contact with the District during the audit fieldwork will be the Business Manager. The Business Manager will coordinate the assistance to be provided by the District to the auditor. The auditor must remember, however, that the auditor's responsibility is to the Board.

SECTION 3: DISTRICT INFORMATION AND BACKGROUND

Business Office

The District operates a small business office staff including a 1.0 Deputy Clerk and 1.75 Business Office Assistants. The District contracts for Business Manager, part-time HR/Payroll, and P-Card Administration services from the Multnomah Education Service District.

Accounting Policies

The District operates in accordance with generally accepted accounting principles as required by Oregon Revised Statutes 294.305 – 294.520.

Budget

The District prepares a budget for all funds subject to Oregon Revised Statutes and “Local Budget Law”.

The District’s 2022-2023 adopted budget totals \$25.2 million consisting of six governmental type funds. The adopted budget amounts (excluding unappropriated amounts) are spread across the following funds:

- General Fund \$16,264,428
- Food Service \$442,000
- Federal Funds \$828,948
- Student Investment Account \$865,870
- Student Body Trust \$300,000
- GO Bond 2021 \$520,000
- OSCIM Matching Grant \$4,000,000
- GO Bond Debt Service \$400,310
- Energy Projects \$14,0000

Expenditures of Federal Awards

The District’s 2021-22 expenditures of federal awards met the threshold for requiring a Single Audit.

Closing Schedule and Fieldwork

The District tries to close the year by September 30. Auditor fieldwork has historically occurred in October or November with a team of 1 to 3 people on-site for up to 5 days.

Prior year’s Audit Fees

The District paid approximately \$32,500 for external audit and financial report services for the year ending June 30, 2022, and \$10,000 for the single audit.

SECTION 4: PROPOSAL CALENDAR

The following is a list of key dates up to and including the date of contract finalization.

- Request for Proposals Issued July 14, 2023
- Proposal Due Date July 28, 2023
- Review Process, including interviews Aug 1 – Aug 4, 2023
- Recommendation of Award, if any Aug 7, 2023
- Approval by Board of administrative recommendation Aug 16, 2023
- Contract Finalization Aug 21, 2023

This is the District's desired project schedule. The District reserves the right to modify the schedule.

SECTION 5: REQUEST FOR PROPOSAL FORMAT AND EVALUATION CRITERIA

Evaluation Standards

Written proposals will be subjectively evaluated on the basis of following criteria and points weighting:

Criteria	Points
1. Experience with Public Education Engagements	
a. Firm's public education auditing experience and expertise.	5
b. Local office's public education experience and expertise, particularly with like-sized school districts.	11
2. Staffing: Size, Training, and Experience	
a. Public education auditing experience and expertise of audit team proposed for the District audit.	17
b. Firm's and local office's ability to provide consulting services to the District.	3
c. Firm's dedication to cooperation and compatibility with District's specific situation.	7
3. Proposer's Approach to the Examination	
a. Description of audit approach, including the manner in which computer assisted auditing procedures will be utilized.	14
b. Estimation of number of hours to be devoted to the engagement.	13
c. Work plan schedule	5
d. Procedures followed in technical review of audit reports prior to issuance.	6
4. Audit Fee	
a. Proposed fees	19
Maximum Points Possible	100

Upon review of the proposals, qualified audit firms may be interviewed at District's discretion. No additions, deletions or substitutions may be made to proposals during the interviews/presentations that cannot be viewed as clarification. An award of contract to the audit firm deemed most qualified will then be recommended to the Board. The Board will make the final decision.

Format

Technical Proposal

One (1) PDF copy of a Technical Proposal is required to be received by email no later than 2 pm PST on June 1, 2023, for a proposal to be considered.

Title Page

The Request for Proposal (RFP) should show the subject; name of proposing firm; name, address, and telephone number of a local person; and the date of the proposal.

Table of Contents

The RFP must include a clear identification of the material by section and by page number.

Transmittal Letter

A letter of transmittal must include the following: a statement outlining the audit firm's understanding of the work to be done and the commitment to perform the work within the time period; a statement outlining reasons why the audit firm believes itself to be qualified to perform the engagement; and a statement that the proposal is a firm and irrevocable offer for sixty (60) working days.

Profile of the Proposer

(Please answer the following in order)

1. Affirm that Proposer is a firm of certified public accountants (CPAs) properly licensed to practice in Oregon.
2. Affirm that Proposer meets standards of independence as defined by generally accepted auditing standards of the U.S. GAO.
3. Indicate your Federal Tax ID number.
4. Indicate the address of your home office.
5. Submit a copy of the report on the firm's most recent external quality control (peer) review, with a statement whether that quality control review included a review of specific government engagements.
6. State the number of partners, managers, supervisors, seniors, and other professional staff employed at the local office.
7. Describe the range of activities performed by the local office such as auditing, accounting, tax services, management services, and/or report preparation.
8. Describe your approach in assisting clients in maintaining reporting standards in compliance with applicable Generally Accepted Accounting Principles.

Experience with Municipal Engagements

(Please answer the following in order)

1. Provide the name, title, and State Board of Accountancy Municipal Audit Roster Number for the partner, manager, and in-charge accountant who would be assigned to this financial audit.
2. Identify governmental audit clients, both current and those performed during the preceding 5-year period, of your firm, particularly school districts, regardless of the office handling the account that are comparable in size or larger than Corbett School District; in addition, identify those audit clients handled by your local office. Include the beginning year of audit and the entity's administrative contact person (name, title, and phone number).
3. The firm shall list all district audits that have been discontinued or terminated within the preceding three (3) fiscal years and state the reason for the discontinuance or termination. If you are again serving them, please state the fiscal year that you started auditing them again.

Staffing: Size, Training, and Experience

(Please answer the following in order)

1. Identify the partners, managers, seniors, specialists, and other key staff persons from (a) the local office and (b) from any other offices of your firm who would be assigned to the District 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 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 any partners or staff from other than the local office are to be assigned to the engagement, indicate the percentage of their time that will be devoted to the District engagement. If more convenient, resumes may be included in an appendix appropriately cross-referenced here. In addition, identify any independent contractors who may be assigned to this engagement and the basis for their selection.
2. Describe your firm's capability and experience in providing management consulting services to local governmental units. Describe recent engagements of that type handled by local office personnel, if any, and identify your local consultants who could provide such services. Identify what advice and consulting would be considered a part of this engagement.
3. Estimate the aggregate number of hours of time that your firm's professional staff would devote to the District's audit engagement.
4. Describe your firm's professional development program and the specialized programs offered within the area of governmental accounting and auditing.

Proposer's Approach to the Examination

Describe how your firm would approach the District engagement. Outline a work plan and related time schedule for each significant segment of the work. Include a "Table of Contents" outlining proposed schedules, worksheets, and reports. Indicate whether you intend to use any computer-assisted auditing procedures and whether you plan to use specialists, such as information technology specialists. Describe the procedures followed in the technical review of the audit reports prior to their issuance by qualified personnel other than the engagement partner. In addition, please provide any extra information about your firm's audit approach that you feel would be beneficial to the Committee.

Fee Proposal

The Fee Proposal shall contain the following information:

1. The maximum fee/cost, including out-of-pocket expenses, that your firm will charge the District for the entire audit, including the management report.
2. The method to be used to determine the fee/cost in subsequent years of the engagement.

SECTION 6: ADMINISTRATIVE INFORMATION

Trade Secrets

Your proposal may be subject to Oregon Public Records law, the application of which shall determine if any confidential information you share is in fact exempt from disclosure as "Trade Secrets" (ORS 192.501 (2)). In order to facilitate possible public inspection of your Proposal, **material designated by you the Proposer as confidential in the Proposal shall be readily separable from the non-confidential portion of the Proposal.** Prices, makes, models or catalog numbers of proposed goods and services shall be publicly available regardless of any designation by you the Proposer to the contrary.

Term of Contract

The selected auditing firm shall be designated as the District's auditor for a term of three fiscal years commencing with the audit of the 2022-2023 fiscal year.

Renewals

The District seeks to allow for up to two renewal options of three years each, upon mutual agreement.

Equal Employment Compliance Requirement

By submitting this bid, the bidder 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.

SECTION 7: GENERAL TERMS AND CONDITIONS

Proposals

Proposals shall be emailed to the Corbett School District Deputy Clerk, Robin Lindeen-Blakeley at rlindeen@corbett.k12.or.us. All proposals shall be in the format designated by the District, or they may be rejected by the District. It shall be the firm's responsibility to ensure that the proposal is delivered to the District before the time and date set for proposal closing, and the District will not be responsible for proposals delivered to any location other than the email listed above.

Addenda to Request for Proposal (RFP)

Changes to the RFP by the District shall be accomplished by addenda. The firm shall acknowledge receipt of all addenda issued, either with the proposal, or separately, in writing, prior to the time and date set for request closing. Addenda shall be sent within a reasonable time to allow prospective providers to consider them in preparing their proposals.

Cost of Proposal Preparation

The District will not be liable for any costs incurred by Proposers or 3rd parties in the preparation, presentation, and/or submission of their proposals.

Right to Reject Proposals

The District may reject any proposal not in compliance with all prescribed public RFP procedures and requirements, including its own rules, specifications and conditions, and may reject for good cause any or all proposals upon a finding of the District it is in the public interest to do so.

Right to Waive Irregularities

The District reserves the right to waive any irregularity not affecting substantial rights.

Immaterial Variances

The District reserves the right to determine if any offered services complies substantially in quality and performance with the specifications, is acceptable to the District, and if any variance listed in the proposal is material or immaterial.

Contract

All specifications, terms and conditions contained in the RFP shall be incorporated by reference and made a part of a contract awarded to the successful provider.

Law of the State of Oregon

Any contract between the District and a firm shall be entered into within the State of Oregon, and the laws of said state, whether substantive or procedural, shall apply to the contract. In addition, the contract shall be subject to the policies and rules adopted by the Board of the District.

Invoices

Invoices shall contain the description of services performed and total. Bill to Corbett School District, 35800 E Historic Columbia River Highway, Corbett, OR 97019 or busmgr@corbett.k12.or.us.

Discrimination

The firm agrees not to discriminate against any client, employee or applicant for employment or for services because of race, religion, color, national origin, mental or physical disability, sex, age and marital status with regard to, but not limited to the following: Employment upgrading, demotion or transfer, recruitment or recruitment advertising, layoffs or termination, rates of pay or other forms of compensation, selection for training, and rendition of services.

Hours of Labor

No person shall be employed for more than eight hours in any one day, or 40 hours in any one week, except in cases of necessity, emergency, or where the public policy absolutely requires it, and in such cases the laborer shall be paid at least time and a half pay for all overtime in excess of eight hours a day and for work performed on Saturday and on any legal holiday specified in ORS 279.334.

Hold Harmless

The successful provider shall indemnify, hold harmless, and defend the District from any and all liabilities, settlements, losses, penalties, costs, expenses, attorney fees (including attorney fees on appeal) in connection with any action, suit or claim based upon or allegedly based upon, resulting from or allegedly resulting from the successful provider's negligence, omissions, activities or services provided pursuant to a contract awarded to such provider.

Contract Cancellation

The District may cancel the contract without cause upon 30 days written notice.

Failure to Perform

In the event that the successful provider fails to perform under a contract awarded, the successful provider shall be liable for all costs and damages incurred by the District in procuring and obtaining similar service from other providers, and the contract awarded to the successful provider shall be in full force to the extent not terminated. The District reserves the right to terminate a contract awarded due to the successful provider's failure to perform. Termination by the District shall not affect any right, obligation or liability of the successful provider which accrued before such termination. In addition to the right to terminate due to the successful provider's failure to perform, the District reserves all its rights and remedies at law and in equity available due to the failure to perform.

Severability

The parties agree that if any term or provision of a resultant contract is declared by a court of competent jurisdiction to be illegal or in conflict with any law the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the contract did not contain the particular term or provision held to be invalid.

Waiver

The failure of the District to enforce any provision of a resultant contract shall not constitute a waiver by the District of that or any other provision.

Force Majeure

The successful provider shall not be held responsible for delay or default caused by fire, riot, acts of God and war, which was beyond the successful provider's reasonable control.

Breach of Contract

In the event that the successful provider breaches a term or condition of a contract awarded, the District may terminate the contract. In addition to the right to terminate due to the successful provider's breach, and all other rights and remedies contained in other provisions, the District reserves all its rights and remedies at law and in equity available due to the breach, including but not limited to the recovery from the successful provider of any damages, costs, expenses and attorney fees (including attorney fees on appeal) arising out, or as a result, of the breach. In the event that the District breaches a term or condition of a contract awarded, the successful provider's remedy shall be limited to termination of the contract and receipt of payment by the District for any equipment, article, material or service provided by the successful provider pursuant to the contract prior to the termination date.

Insurance

At all times while providing services under this Agreement, Provider shall maintain in force at Provider's expense insurance coverage at least equal to the value of this Agreement and the following insurance coverage(s):

- a. **Workers' Compensation.** As required by ORS 656.017, subject employers shall provide Workers' Compensation coverage in accordance with ORS Chapter 656 for all subject workers (unless exempt under ORS 656.027 or 656.126) and shall submit a certificate of insurance to CSD showing proof of coverage. If Provider claims to be exempt, Provider shall complete and provide a Workers' Compensation Exemption Certificate on a form provided by CSD in lieu of providing the above certificate of insurance.
- b. **Professional Liability/Errors & Omission ("E&O").** If Provider is performing services that require a state license, then Provider shall maintain professional liability/E&O insurance coverage of at least \$2,000,000 for each claim, incident, or occurrence, and at least \$3,000,000 annual aggregate coverage. This policy shall provide extended reporting period coverage for claims made within two years after this Agreement is completed or otherwise terminated according to its terms. If Provider is performing services that do not require a state license, then Provider does not have to maintain professional liability/E&O insurance.
- c. **General Liability.** Provider shall maintain general liability insurance coverage on an occurrence basis with a combined single limit of not less than \$2,000,000 for bodily/personal injury and property damage, with an annual aggregate limit of \$3,000,000. This insurance must include contractual liability coverage.
- d. **Certificate of Insurance.** Upon CSD's request, Provider shall furnish to CSD a current certificate of insurance for each of the above coverages within 48 hours of such request. Agreement will not be binding and the Provider will not commence work until XSD receives certificate(s) of insurance (mailed from Provider's insurance carrier(s) directly to CSD) demonstrating that Provider meets all the insurance requirements of this Agreement. Each certificate shall provide that there shall be no cancellation, termination, material change, or reduction of limits of the insurance coverage without 30 days deductible or retention level. For general liability coverage, the certificate

shall also provide that CSD, its agents, officers, employees, and contract employees are additional insureds with respect to Provider's services provided under this Agreement.

Work Performed on CSD Property

As required by schools and other CSD locations, each day Provider or Provider's employees, agents or officers are present on CSD property, Provider and Provider's employees, agents and officers must notify the main office upon arrival and departure.