
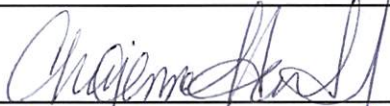
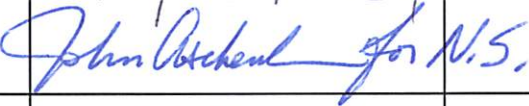

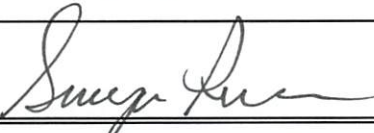



SUBJECT: Award of proposal number 23-068P to Altman, Rogers & Co. for the contract amount of \$1,714,350.00 to provide auditing services for the Matanuska-Susitna Borough Administration and School District.

AGENDA OF: June 6, 2023

ASSEMBLY ACTION:

AGENDA ACTION REQUESTED: Present to the Assembly for consideration.

Route To Department/Individual	Signature	Comments
Purchasing Officer		
Finance Director		
Borough Attorney		
Borough Manager		
Borough Clerk		

ATTACHMENT (S) : Fiscal Note: Yes No
 Analysis Sheet (1p)
 Scope of Services (6p)
 Fee Breakdown (1p)

SUMMARY STATEMENT:

On March 2, 2023, the Matanuska-Susitna Borough Purchasing Division issued a solicitation requesting Proposals from qualified accounting firms to provide auditing of the Borough's annual financial statements and its component unit, the School District. Services purchased will support the Finance Department in all assembly districts.

In response to the advertisement, two proposals were received. A proposal evaluation team made up of Borough & School District Finance staff evaluated the proposals and selected Altman, Rogers & Co. as the most advantageous firm for the Borough.

The term length for this agreement is for two years with three additional one-year renewals (potentially five-year contract), subject to annual appropriation of funds by the Borough Assembly.

In accordance with MSB 3.08.170(B), Administration requests authority to modify the resulting contract completion date by 90 days for unforeseen circumstances.

The Finance Department, Accounting Division will be administering the contract.

RECOMMENDATION OF ADMINISTRATION: Approve the subject action memorandum.

MATANUSKA-SUSITNA BOROUGH
FISCAL NOTE

Agenda Date: June 6, 2023

SUBJECT: Award of proposal number 23-068P to Altman, Rogers & Co. for the contract amount of \$1,714,350.00 to provide auditing services for the Matanuska-Susitna Borough Administration and School District.

ORIGINATOR: Purchasing

FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT <input checked="" type="radio"/> YES <input type="radio"/> NO
AMOUNT REQUESTED <u>1,714,350</u>	FUNDING SOURCE <u>areawide</u>
FROM ACCOUNT # <u>100.100.113 426.100</u>	PROJECT #
TO ACCOUNT :	PROJECT #
VERIFIED BY: <u>Murcum</u>	CERTIFIED BY:
DATE: <u>5/22/23</u>	DATE:

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028
Personnel Services						
Travel						
Contractual						
Supplies						
Equipment						
Land/Structures						
Grants, Claims						
Miscellaneous		*	*	*	*	*
TOTAL OPERATING		*	*	*	*	*

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

General Fund						
State/Federal Funds						
Other		*	*	*	*	*
TOTAL		*	*	*	*	*

POSITIONS:

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (Attach a separate page if necessary) see fee schedule

PREPARED BY: _____ PHONE: _____

DEPARTMENT: Cherylene Herold DATE: _____

APPROVED BY: _____ DATE: 5/23/23



23-068P - Certified Public Accountant Audit Services Scoring Summary

Evaluation Criteria	Points Possible	Altman, Rogers & Co.	BDO USA
<u>Total</u>	<u>100 pts</u>	<u>84.32</u>	<u>78.24</u>
Letter of Transmittal	5 pts	3.2	3.4
Profile of the Audit Organization, Technical Qualifications and Approach	15 pts	12.6	9.6
Timetable	5 pts	3.4	2.8
Firm Understanding	5 pts	3.6	3.6
Summary of the Firms Individual Audit Staff Technical Qualifications	10 pts	8	7.6
References	5 pts	3.4	3.8
Scope Understanding	13 pts	8.84	9.36
Other General Conditions	2 pts	1.28	1.36
Fee Proposal	40 pts	40 (\$1,714,350.00)	36.72 (\$1,867,700.00)

SCOPE OF SERVICES

23-068P, CERTIFIED PUBLIC ACCOUNTANT AUDIT SERVICES

GOVERNMENT OVERVIEW

The Borough

The Matanuska-Susitna Borough (Borough) was incorporated January 1, 1964, as a Second Class Borough as determined by an election held October 1, 1963, and as evidenced by the Certificate of the Secretary of State, State of Alaska, dated December 13, 1963. The Borough operates under a manager-assembly form of government and has the following powers:

Areawide: Property assessment and collection of taxes, planning and zoning, parks and recreation, emergency medical services and historic preservation.

Non-Areawide: Economic development, animal care, and libraries outside the cities.

The Borough is responsible for 35 active service areas (water, sewer, flood, erosion control, fire and roads), two enterprise funds for the operations of Solid Waste and Port Mackenzie, eleven debt service funds, seven internal service funds, four agency funds, and numerous capital projects funds. In addition to the special revenue funds previously listed, the Borough has a Land Management Fund, Enhanced 911 Fund, and Education Fund.

The Borough's administration office is located at 350 E Dahlia, Palmer, Alaska 99645. Additional information including the Annual Comprehensive Financial Reports (ACFRs) for fiscal years ending 2009 through last fiscal year are available at <https://transparency.matsugov.us/pages/acfr>.

The School District

The Matanuska-Susitna Borough School District (School District) operates a public school system under an elected school board pursuant to Alaska Statutes. The School District is discretely presented component unit of the Borough for financial statement presentation.

The School District is financially dependent upon funding from the State of Alaska and the Borough, with approximately 82% of its funding coming from these two sources. In FY 2022, about 61% of School District revenue came from the State of Alaska and 22% came from the Borough. Other revenues come from grants, donations, student fees, meal revenues, and facility use fees.

The School District is comprised of its General Fund, a number of special revenue funds (examples include a renewal and replacement fund, grants, food service, and student transportation), as well as a debt service fund, capital projects fund, and an internal service fund for workers compensation.

The District Administration Office is located at 501 N Gulkana Street, Palmer, Alaska 99645.

Additional information including Annual Comprehensive Financial Reports (ACFRs) from FY2013 through FY2022 can be found at www.matsuk12.us/finance.

Accounting software

The Borough maintains its collections and tax records on Govern software, and its general ledger on New World ERP software from Tyler Technologies. The School District uses Enterprise ERP from Tyler Technologies, and will be upgrading to the cloud-based version in FY 2024.

NATURE OF SERVICES REQUIRED

General

The Borough is soliciting services from a qualified firm of certified public accountants to provide auditing of the Borough's annual financial statements and its component unit, the School District, for fiscal years ending June 30, 2023, June 30, 2024, and June 30, 2025, with an option to extend, at the discretion of the Borough Manager, annually up to two (2) additional one-year periods for a maximum of five (5) years. These audits are to be performed in accordance with the provisions contained in this request for proposal.

The Borough and School District acknowledge that it is management's responsibility for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Separate audits are performed for the Borough and the School District. This request for proposal is all encompassing. However, some of the requirements are specific to either the Borough or the School District, and are designated within this request for proposal.

Qualifying Requirements

Firms submitting proposals must be qualified to perform independent audits of local governments and school districts of the State of Alaska. The auditors' must have an office located within the State of Alaska, and resident staff must be able to offer the full range of auditing services required by this Request for Proposal.

The proposer shall at all times in the proposal and contract process comply with all applicable Borough, State, and Federal anti-discrimination laws, rules, regulations and requirements thereof.

Supervisory members of the audit team, including the "in charge" field auditor, are expected to be Certified Public Accountants and have a minimum of three (3) years of government audit experience in the State of Alaska.

Scope of Work to be Performed

The Borough desires the auditor to express an opinion on the fair presentation of the Borough and the School District's financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information, and the related notes to the financial statements, which collectively comprise the basic financial statements, and to issue a report thereon.

The financial and compliance audit will involve all of the Borough and the School District's funds and accounts. The auditor is required to analyze and apply audit procedures in performing the audits.

The auditors shall prepare or assist in preparing the ACFR schedules, statements, and note disclosures as identified in Section IX of this request for proposal.

Additional services: The Borough anticipates issuing bonds in the future. The auditor shall be required, if requested by the Borough's Financial Director, to issue the Consent Letter, and any necessary "comfort letters".

Auditing standards

To meet the requirements of this request for proposal, the examinations shall be conducted in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and any other applicable procedures for the audit of a government's financial statements prepared in accordance with generally accepted accounting principles.

Additionally, the Borough's audit shall be in conformity with AS 29.35.120 Annual Audits, and Matanuska-Susitna Borough Code 3.04.140.

The School District's audit shall also be in conformity with those accounting principles generally accepted and prescribed for public school districts by the State of Alaska, Department of Education, and with AS 14.14.050. The audit shall also be in conformity with auditing standards generally accepted in the United State of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and principles prescribed by the Governmental Accounting Standards Board (GASB).

The audit scope and opinions are to be in accordance with AICPA Audit and Accounting Guide, "Audits of State and Local Governmental Units" including relevant Statements of Position, and principles prescribed by the Governmental Accounting Standards Board (GASB). It shall also follow the Government Finance Officers Association (GFOA) requirements for the Certificate of Achievement.

The financial statements are to be presented in accordance with accounting principles generally accepted in the United States of America and Governmental Accounting Standards Board.

The types of compliance requirements will be based on *OMB Compliance Supplement* that could have a direct and material effect on each major federal program, and compliance requirements in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*.

Reports to be issued

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue, as required by generally accepted auditing standards, and the standards previously identified:

1. Independent Auditors report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.
2. Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance for the Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance.
4. Independent Auditor's Report on Compliance for Each Major State Program and Report on Internal Control Over Compliance Required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* for the Report on the Schedule of State Financial Assistance
5. Schedule of Findings and Questioned Costs
6. Status of Prior Year Findings and Questioned Costs
Specific to the School District:
7. Schedule of Compliance with AS 14.17.505
8. Certification of the State Tuition Rate Report

Management and Assembly Letters

The auditors shall observe the adequacy of the systems of internal control, accounting procedures and other significant matters. Separate management letters shall be prepared for the Borough and the School District. If material issues are noted, appropriate recommendations should be reviewed and discussed with management and included in letters to the Borough Mayor and Borough Assembly; and to the School Board (if applicable). Letters shall be provided to the Assembly and the School Board containing information related to the conduct of each audit.

Certificate of Excellence

The auditors will provide assistance to the Borough's management to obtain the Certificate of Achievement for Excellence in Financial Reporting from the Governmental Finance Officers Association of the United States and Canada (GFOA). The Borough has received the award for over 30 years.

The School District has been a recipient of the Certificate of Excellence in Financial Reporting (COE) from the Association of School Business Officials International since FY 2009. The auditors will provide assistance to the School District's management to continue to obtain the COE.

ACFR Presentation

Borough

The Annual Comprehensive Financial Report and the management letter, and the letters to Assembly are to be presented to the Assembly at a regular meeting as early as possible after the statements have been printed. This is expected to take place at the first assembly meeting in January. The audit partner assigned to the engagement should be in attendance and prepared to answer questions and provide a short presentation to the Assembly.

School District

The Annual Comprehensive Financial Report and the management letter are to be presented to the School Board no later than the last School Board meeting in December. Board meetings are customarily held at the School District Administration Office the first and third Wednesday of the month at 6PM. The audit partner assigned to the engagement should be in attendance and prepared to answer questions and provide a short presentation to the School Board.

Timing, Location and Conduct of Audit Work

Borough

The Borough Finance Department will expect an Audit Preparation/Schedule of Requested Information prior to June 1st of each year. Scheduling of preplanning conferences, conferences during the audit, and onsite field work shall be arranged with the Borough Comptroller.

It is expected that the auditors shall have a web portal for the Borough finance staff to upload documents, schedules and statements. If not, then it is required that there be one point of contact for the emailing of documents as to reduce duplication of efforts.

The auditor will provide adequate staffing to meet all deadlines.

Interim onsite field work must be scheduled and completed during July of each year, and expected to be no more than one week.

The final onsite audit must be scheduled no sooner than October 1st, and expected to be no more than two weeks. The Borough will provide space deemed adequate by the auditor to efficiently conduct the audit. The

Borough staff will prepare schedules and statements, and provide the documents and data to assist with the preparation of audit work papers. It is preferred to provide these documents electronically.

Adjusting journal entries, along with the adjusted trial balance will be required prior to the completion of the onsite audit. The auditor will meet with the Comptroller to review adjusting journal entries. An exit conference with the Comptroller and the Finance Director is expected at or near the completion of onsite fieldwork.

The auditors shall assist with the conversion and reconciliation of the individual fund Balance Sheets and Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities to the Government Wide Financial Statements, as to comply with GASB Statement No. 34.

Auditors shall be responsible for all net pension, OPEB, and related liability schedules. The auditors will assist with drafting or review of the note disclosures.

Guidance and assistance may be required on the completion of certain schedules, the need for new note disclosures, the application of approved GASB's and GASB implementations, and assistance with other reporting requirements.

The Borough will submit a draft of the ACFR to be reviewed in detail by the auditor no later than November 30th of each year, allowing ample time for review and corrections. The timing of this should ensure final completion and submittal of the ACFR no later than the December 31st deadline. The Borough will print the ACFR's to be provided by the date of the audit presentation to the Borough Assembly in January.

The Borough has received the GFOA Certificate of Achievement for Excellence in Financial Reporting for over 30 years. The auditor will assist the Borough in maintaining its certification through technical assistance and timely compliance with new reporting requirements. The Borough will be responsible for submission to the GFOA.

The auditor is responsible for preparing and filing the Data Collection Form for the Federal Audit Clearinghouse.

In the past ten years, the Borough has issued General Obligation Bonds or Certificates of Participation. The Independent Auditors Report, the Basic Financial Statements and the Notes to the Basic Financial Statements have been included in the Preliminary Official Statement (POS) and Official Statements (OS). The Borough anticipates issuing bonds in the future. The auditor shall be required, if requested by the Borough's Financial Director, to issue the Consent Letter, and any necessary "comfort letters". Also, the Borough will rely on the auditors for assistance with the inclusion of the reports within the POS and OS.

All services not specifically mentioned in this request for proposal that are necessary to provide the functional capabilities described by the auditor shall be included in the scope of services.

School District

The School District's Finance Department will expect an Audit Preparation/Schedule of Requested Information prior to June 1st of each year. The auditors shall provide separate opinions and audit reports to be prepared for the School District's Financial Statements and Annual Comprehensive Financial Report (ACFR).

The auditor will provide adequate staffing to meet all deadlines and will provide on-site auditing services in an amount not to exceed four weeks. On-site auditing services may be split between interim fieldwork and final fieldwork. Final scheduling to be negotiated with School District management and agreed upon by April 15 for planning purposes. The auditors will provide all necessary reports as previously outlined to meet all deadlines as established in AS 14.14.050 and all deadlines as set forth in this RFP.

The auditors shall be responsible for the conversion and reconciliation of the individual fund Balance Sheets and Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities to the Government Wide Financial Statements, as to comply with GASB Statement No. 34. Auditors shall also be responsible for all net pension and related liability schedules.

The auditor is responsible for preparing and filing the Data Collection Form for the Federal Audit Clearinghouse.

The School District will provide adequate facilities to perform the engagement. The District will provide professional staff assistance during the engagement and prepare financial statements and all supplementary schedules. The District staff will assist to the extent possible in the preparation of audit work papers. The District will print the Annual Comprehensive Financial Report, but the auditor is expected to assist with the preparation of the report, which the District will review and edit as appropriate.

PROPOSAL FEE FORM

23-068P, CERTIFIED PUBLIC ACCOUNTANT AUDIT SERVICES

Provide all personnel, material, supplies, equipment, transportation and all other items as may be required to complete the services identified within the Scope of Work and Solicitation Documents entitled 23-068P CERTIFIED PUBLIC ACCOUNTANT AUDIT SERVICES.

COST PROPOSAL						
ITEM NO.	PROPOSAL ITEM	AMOUNT YEAR 1	AMOUNT YEAR 2	AMOUNT YEAR 3	AMOUNT YEAR 4	AMOUNT YEAR 5
1	Fixed Fee for Borough Auditing Services Entire Engagement (Includes all Expenses)	\$ 174,100	\$ 179,000	\$ 184,450	\$ 190,150	\$ 196,850
2	Fixed Fee for School District Auditing Services Entire Engagement (Includes all Expenses)	\$ 149,500	\$ 153,000	\$ 157,200	\$ 162,400	\$ 167,700
AMOUNT TOTALS (Sum of Items 1 & 2 for Year)		\$ 323,600	\$ 332,000	\$ 341,650	\$ 352,550	\$ 364,550
TOTAL COST PROPOSAL (Sum of Amount Totals for Years 1, 2, 3, 4, 5)		\$ 1,714,350				

RATE SCHEDULE FOR POTENTIAL ADDITIONAL SERVICES						
ITEM						
1	Partners	\$ 250	\$ 250	\$ 250	\$ 260	\$ 270
2	Managers	\$ 200	\$ 200	\$ 205	\$ 215	\$ 215
3	Supervisory Staff	\$ 180	\$ 185	\$ 190	\$ 190	\$ 195
4	Staff	\$ 100	\$ 110	\$ 120	\$ 130	\$ 140
5	Other (Specify) In-Charge	\$ 125	\$ 135	\$ 145	\$ 155	\$ 165
6	Other (Specify)	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

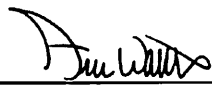
Altman, Rogers & Co.

 Company Name
 Steve Wadleigh, CPA

 Name (printed or typed)
 Principal

 Title (printed or typed)

April 26, 2023

 Date


 Signature