

Legal Notice

Sealed proposals to furnish five years of annual auditing services for the Town of Northport's fiscal years 2023-2024 through 2027-2028, may be submitted to the Town Administrator, Northport Town Office, 16 Beech Hill Road, Northport, Maine 04849. All Proposals must be received no later than NOON on Friday, April 19, 2024, at which time they will be reviewed for completeness only.

Proposal forms and specifications may be obtained at the Town Office or online at www.northportmaine.org. The Town reserves the right to reject any or all Proposals. Information or questions concerning this contract should be directed to James Kossuth, Town Administrator, at (207) 338-3819 ext 6 or by email at administrator@northportmaine.org.

The Town of Northport is an Equal Opportunity/Affirmative Action Employer

REQUEST FOR PROPOSALS
ANNUAL INDEPENDENT AUDIT
TOWN OF NORTHPORT
Five (5) Year Contract

The Town of Northport invites qualified independent public accountants to submit proposals for the performance of an audit of its financial records for the 12-month period ending each June 30 for the purpose of rendering an auditor’s opinion regarding the fairness of applicable financial statements and compliance of the municipality with applicable legal provisions, in accordance with generally accepted auditing standards.

Sealed proposals for performing the annual audits for fiscal years 2023 - 2024 through 2027 - 2028 for the Town of Northport will be received by the Town Administrator until NOON on Friday, April 19, 2024, at which time they will be reviewed for completeness only.

A certified public accounting firm shall perform the general audit. These audits will be performed in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and procedures of the laws of the State of Maine, and the provisions of OMB Circular A-133 *Audits of State, Local Governments, and Non-Profit Organizations*.

Auditing firms are requested to submit signed, written proposals giving firm fixed fees on the attached Proposed Fee Form. It is the intent of the Town to award the Town audit for a period of five (5) years to the selected firm. However, the Town reserves the right to terminate the contract after the completion of any audit year, but no later than ninety (90) days prior to the completion of the next audit year.

Proposers are requested to attach to their Proposal an outline of their auditing qualifications, including a list of municipalities, governmental organizations and federal programs that they currently serve. Proposals are to be submitted in a sealed envelope plainly marked “Request for Proposal on Auditing Services”, addressed to James Kossuth, Town Administrator, Northport Town Office, 16 Beech Hill Road, Northport, Maine 04849.

I. General Information

The Town of Northport is a chartered Municipal Corporation of the state of Maine with a Select Board / Town Meeting form of government. All of the principal municipal departments will be subject to this audit, but not the School.

The Northport School Department is a component unit of the Town of Northport. The School Department receives a separate financial statement audit that is incorporated into the Town of Northport’s audit.

The gross budget for fiscal year ending June 30, 2023, was approximately \$5,392,506.74 for Town functions and the School, and covers a full and part time work force of approximately 50 employees.

The Town maintains much of its accounting system on a TRIO server.

The accounting policies of the Town conform to generally accepted accounting principles as applicable to governmental units. The accounts are organized on the basis of funds or groups of accounts, each of which is considered to be a separate accounting entity. Each fund is operated and accounted for with a separate set of self-balancing accounts. The various funds are grouped by type in the financial statements. The following fund types are used by the Town:

GOVERNMENTAL FUNDS

- a. General Fund - The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. Special Reserve Funds – The Special Reserve Funds are used to account for the proceeds of specific revenue sources that are legally or contractually restricted to expenditures for specified purposes.

FIDUCIARY FUNDS

- c. Fiduciary Funds - Trust and Agency Funds are used to account for assets held by the Town in a trustee or agency. Nonexpendable trust funds are accounted for in essentially the same manner as proprietary funds since capital maintenance is critical. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Agency funds are custodial in nature and do not involve measurement of results of operation.

The financial statements of the general fund, special reserve funds, and fiduciary funds are presented on the modified accrual basis.

The budgetary accounting records include revenues, expenditures and appropriations.

II. Audit Specifications

The auditor shall examine the financial statements and supporting records of the Town for the twelve-month periods ending June 30, 2024, 2025, 2026, 2027 and 2028. These audits will be performed in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and procedures of the laws of the State of Maine, and the provisions of OMB Circular A-133 *Audits of State, Local Governments and Non-Profit Organizations*.

III. Scope of Audit

The auditor shall be engaged to conduct an examination of the financial statements, accounts, records and procedures of the Town of Northport. The books of account

and financial records to be audited are maintained and located at the Northport Town Office during the Town's normal business hours.

The scope of the audit shall include, but not be limited to the following:

- a. The audit shall be conducted in accordance with the specifications set forth in this Request for Proposals, Section II, Audit Specifications.
- b. The auditor shall review the system of internal control, operating procedures, and compliance with the budgetary and legal requirements of the Town of Northport, and shall comment on any weaknesses in a management letter at no additional cost to the Town. Said management letter is to be completed by December 15 of each year, unless agreed upon in advance by both parties. The purpose of the letter is to make known the recommendations of the auditor for those which are felt would increase efficiency, improve internal controls and improve financial management policies. Seven copies (7) of the management letter will be necessary.
- c. The auditor should conduct an interview with the Town Administrator and the Finance Director at the conclusion of the audit.
- d. The scope of the audit shall include, but not be limited to the following:
 1. Balance sheet – All fund types.
 2. Statement of Revenues, Expenditures and changes in Fund Balance for all Fund types.
 3. Statement of General Fund Revenues, Expenditures, and changes in fund balance – Budget vs. Actual.
 4. Combined Statement of Revenues, Expenses, and changes in Retained Earnings/Fund Balance for trust funds.
 5. Comment to financial statements and scope of examination.
 6. Statement of changes in General Fund for Long Term Debt.
 7. Schedule of Federal Financial Assistance.
 8. Taxes Receivable, Tax Liens and Tax Acquired Property – General Fund.
 9. Management letter listing comments and recommendations by December 15 of each year, unless agreed upon in advance by both parties.

10. Property valuation, assessment and appropriations – General fund.
 11. GASB Pronouncements.
- e. The auditor shall prepare and file all required forms and reports of the State Department of Audit to meet required filing deadlines.
 - f. The auditor shall submit a written report containing an expression of opinion that the financial statements are fairly stated, or if a qualified or adverse opinion or disclaimer of opinion is necessary, the reasons therefor.
 - g. The auditor shall agree to make available its working papers upon request to meet any municipal informational needs, as well as in accordance with any federal and state provisions.
 - h. The partner or manager in charge of the audit shall be available to attend public meetings at which the auditor's report may be discussed.
 - i. The Town views its engagement of an audit firm as an ongoing professional relationship in which the firm is expected to consult as required on auditing, accounting, financial reporting and other financial management questions which arise during the course of a year.

In addition, the firm is expected to provide the Town with information on current developments and professional pronouncements which would affect its financial operations and management.
 - j. The firm shall furnish audit adjusting entries and a beginning Trial Balance for General Ledger accounts no later than December 15 of each year, unless agreed upon in advance by both parties.
 - k. The audit is scheduled to commence mid-September when financial records have been closed for the fiscal year.
 - l. The completed report with appropriate schedules is to be delivered to the Town Administrator's Office by December 30 of each year – seven (7) copies in total – unless agreed upon in advance by both parties.

IV. Qualifications of the Firm.

The auditor shall include a summary of qualifications to perform a municipal audit and shall also include a copy of its most recent peer review opinion. The auditor's proposal and qualifications must include a description of the audit firm and a summary of its prior experience. Also, the individuals assigned to audit the Town must have a minimum of three (3) years of municipal audit experience gained within the last ten (10) years. A list of local government clients including names, addresses, and phone

numbers must be included. The firm must have certified public accountants on staff supervising the work team and overseeing all reporting. Information included should state whether the firm is local, regional, or national.

V. Methodology

The Auditor shall provide a summary of the methodology to be used in performing the audit which should include a brief description of audit procedures. This information should be presented in a form to enable the Town to evaluate the firm's ability to identify, evaluate, and communicate on local governmental financial problems.

VI. Staff Assistance

The Town of Northport finance staff will provide assistance to the degree practicable and necessary. Response will be prompt for required information and all necessary books and records will be provided as well as the necessary physical facilities.

VII. Compensation

The proposal must indicate the maximum total fee your firm will charge for the audit services outlined in the Request for Proposal.

The proposed fee shall be broken down by both annual cost and total five-year cost.

A Proposed Fee form is enclosed. The auditor shall not be reimbursed for any travel, per diem, photocopying, telephone bills or other related expenses of the audit unless incurred at the specific request of the Town. The final payment shall become due only after the submission of all reports required and their acceptance by the municipality.

VIII. Instructions for Submitting

A copy of your proposal will be accepted in a sealed envelope marked "Proposal on Auditing Services" until NOON on Friday, April 19, 2024. In order to obtain uniform evaluation and maximum comparability, the proposal must be organized in the following manner.

1. Title Page

The title page should reference the Request for Proposal subject and name of municipality, the firm's name, address, telephone number, the date, and the name and title of the contact person.

2. Table of Contents

The table of contents must clearly identify the organization of the proposal by sections and include page numbers for easy reference.

3. Letter of Transmittal

The letter should state the firm's understanding of the scope of the audit and contain a firm commitment to meet the audit specifications contained in Section II within the proper time period (s).

In addition, the letter should identify the name of the person who will be authorized to make representation of the firm and include that person's title, address, and phone number.

4. **Qualifications of the Firm**
The section must include all relevant information to assist the municipality in evaluating the firm's qualifications and experience in conducting municipal audits. See Section IV.
5. **Technical Approach**
The proposal must include a summary of the firm's technical approach to performing a municipal audit. See Section V. for details.
6. **Compensation**
The proposal must indicate total fee as outlined in Section VII. Please use enclosed Proposed Fee Form for dollar breakdown per category.

IX. **Evaluation of Proposal**

The Town shall evaluate the proposals on the basis of the qualifications, experience and responsiveness of the audit firms as well as the estimated cost of the engagement. The Town must be satisfied that the auditors and their firm have a solid understanding of government programs generally and the operations of the Town in particular.

The Town may wish to conduct oral interviews with the firms considered most qualified in order to assist the Town in the selection process.

The Town reserves the right to accept or reject any proposal, to negotiate with any vendor, to waive technicalities or procedures, or to take any action it considers in the Town's best interest.

STANDARD INSTRUCTIONS TO ALL PROPOSERS

These instructions apply to all requests for proposals issued by the Town for the furnishing of auditing services.

1. The attached proposal is signed by the Proposer with full knowledge of, and agreement with, the general specifications, conditions and requirements of this Proposal.
2. Proposals must be submitted in sealed envelopes addressed to the Town “**REQUEST FOR PROPOSAL – AUDITING SERVICES.**”
3. Proposals received later than the time and date specified in the "Request for Proposal" will not be considered.
4. If applicable, the Proposer shall insert the price per stated unit and extend a total price for each item. **IN THE EVENT THAT THERE IS A DISCREPANCY BETWEEN THE UNIT PRICE AND THE TOTAL PRICE EXTENSION, THE UNIT PRICE WILL GOVERN.**
5. In accordance with the provisions of 36 M.R.S.A. § 1760 et. seq., the Town of Northport is exempt from the payment of State sales and use tax and such tax or taxes must not be included in Proposal prices.
6. The Town reserves the right to reject any and all Proposals, wholly or in part; to waive technical defects, and to make awards in the manner deemed to be in the best interests of the Town.
7. The successful Proposer must at a minimum carry the following levels of insurance:

Commercial General Liability on an occurrence (as opposed to claims-made) basis with general aggregate limit applicable per project:

Each occurrence limit	\$1,000,000
General aggregate limit	\$2,000,000
Products/Comp. op. aggregate limit	\$2,000,000

An additional insured provision is to apply for the TOWN, its officers, officials, agents, and employees on a primary, non-contributory basis.

Auto Liability for owned, hired, and non-owned autos with a single limit for each accident of \$1,000,000.

Workers’ Compensation insurance to comply with the requirements of Maine statutes, plus employers’ liability for:

Each accident:	\$500,000
Each employee (disease):	\$500,000
Policy limit (disease):	\$500,000

Professional Liability

\$1,000,000

Certificates of Insurance will be provided and approved by the Town prior to Contract award.

8. The Contractor shall indemnify and save harmless the Town, its officers, officials, agents and servants against and from all damages, costs and expenses which they or any of them may suffer by, from, or out of any and all, claims for payment for materials or labor used or employed in the execution of this contract, and also for injuries or damages received or sustained to person or property, or both, in consequence of or resulting from any work performed by said Contractor, or of or from any negligence in said work, or of or from any act or omission of said Contractor, and said Contractor shall also indemnify and save harmless said Town from all claims under the Workmen's Compensation Act arising under or out of this contract.

Information or questions concerning details or requirements for this contract should be directed to James Kossuth, Town Administrator, Northport Town Office, 16 Beech Hill Road, Northport, Maine 04849. Telephone: 207-338-3819x6 or administrator@northportmaine.org.

PROPOSAL FORM

1. Name of Auditing Firm: _____

2. Address: _____

3. Telephone/Email: _____

4. Audit Fee:

Audit Year	Municipal	Total
# of hours	hrs	hrs
FY 2024	\$	\$
FY 2025		
FY 2026		
FY 2027	\$	\$
FY 2028	\$	\$
Grand Total	\$	\$

5. Audit Consulting Services: Rate per hour for FY24 Audit Period \$ _____/hour

6. Authorized Signature of Principal or Partner:

 Signature

 Printed Name

 Title